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George P. Elliott *Sidney Hook*

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Nathan Glazer On Task Forcing

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Edwin Kuh A Basis for Welfare Reform

Toward a Social Report

Daniel Bell *Mancur Olson, Jr.*

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CONTENTS

The Twilight of Authority	*Robert A. Nisbet*	3
Academic Confrontations		
I. Rebellion in the MLA	*George P. Elliott*	10
II. Barbarism, Virtue, and the University	*Sidney Hook*	23
On Task Forcing	*Nathan Glazer*	40
The Potential of "Trickle Down"	*Alan Altshuler*	46
Taking the Post Office Out of Politics	*Richard J. Willey*	57
Toward a Social Report		
I. The Idea of a Social Report	*Daniel Bell*	72
II. The Purpose and Plan of a Social Report	*Mancur Olson, Jr.*	85
III. A Social Report in Action: The Official Summary		98
Proposals and Ideas		
Inducing Poor Children to Learn	*Andrew Effrat, Roy E. Feldman, and Harvey M. Sapolsky*	106
A Basis for Welfare Reform	*Edwin Kuh*	112
Document		
The Merger Movement		118
Current Reading		123
Contributors		97

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The twilight of authority

ROBERT A. NISBET

THE most striking fact in the present period of revolutionary change is the quickened erosion of the traditional institutional authorities that for nearly a millennium have been Western man's principal sources of order and liberty. I am referring to the manifest decline of influence of the legal system, the church, family, local community, and, most recently and perhaps most ominously, of school and the university.

There are some who see in the accelerating erosion of these authorities the beginning of a new and higher freedom of the individual. The fetters of constraint, it is said, are being struck off, leaving creative imagination free, as it has never been free before, to build a truly legitimate society. Far greater, however, is the number of those persons who see in this erosion, not the new shape of freedom, but the specters of social anarchy and moral chaos.

I would be happy if I could join either of these groups in their perceptions. But I cannot. Nothing in history suggests to me the likelihood of either creative liberty or destructive license for very long in a population witnessing the dissolution of the social and moral authorities it has been accustomed to. I should say, rather, that what is inevitable in such circumstances is the rise of *power:* power that invades the vacuum left by receding social authority; power that tends to usurp even those areas of traditional authority that have been left inviolate; power that becomes indistinguishable

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in an short time from organized and violent forces, whether of the police, the military, or the para-military.

The human mind cannot support moral chaos for very long. As more and more of the traditional authorities seem to come crashing down, or to be sapped and subverted, it begins to seek the security of organized power. The ordinary dependence on order becomes transformed into a relentless demand for order. And it is power, however ugly its occasional manifestations, that then takes over, that comes to seem to more and more persons the only refuge from anxiety and apprehension and perpetual disorder.

So was it in ancient Athens when, after the brilliant fifth century had ended in the disastrous Peloponnesian Wars, when intimations of dissolution were rife, the Athenians turned to despots, generals, and tyrants who could, it was thought, restore the fabric of authority. So was it in Rome after the deadly civil conflicts of the first century. So was it in Western Europe after the French Revolution had mobilized itself into the Terror—the better, it was thought by Jacobins and others, to destroy the final remnants of corrupt, traditional authority, thus freeing forever the natural virtue in man. What France got, as we know, was neither freedom nor virtue, but the police state of Napoleon; and what Western Europe got was an age of political reaction in which governments took on powers over human life never dreamed of by absolute monarchs of earlier centuries. And so was it in the Germany of a generation ago when, after a decade of spiritual, cultural, and material debauchery, of more and more aggressive assaults on the civil order by the political left, Germany got Nazism and Hitler; got these to the open satisfaction at the time of a large part of the German people, the secret satisfaction of many others, and, in due course, very close to the total satisfaction of all.

Authority vs. power

To see the eruption of organized power and violence as the consequence of a diminishing desire for liberty is easy. What requires more intelligence or knowledge or wisdom is to see such power as the consequence of loss of *authority* in a social order. Authority and power: are these not the same, or but variations of the same thing?

They are not, and no greater mistake could be made than to suppose they are. Throughout human history, when the traditional authorities have been in dissolution, or have seemed to be, it is power—in the sense of naked coercion—that has sprung up. What Aristotle called *stasis*, perpetual civil strife, is at bottom no more than the fragmentation of authority in society. It is *stasis*, warned Aristotle, that democratic societies have to fear above all else. It is the fateful prelude to despotism.

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Authority, unlike power, is not rooted in force alone, whether latent or actual. It is built into the very fabric of human association. Civil society is a tissue of authorities. Authority has no reality save in the memberships and allegiances of the members of an organization, be this the family, a political association, the church, or the university. Authority, function, membership: these form a seamless web in traditional society. The authority of the family follows from its indispensable function. So does that of the church, the guild, the local community, and the school. When the function has become displaced or weakened, when allegiances have been transferred to other entities, there can be no other consequence but a decline of authority.

Culture too, as Matthew Arnold wrote memorably a century ago, is inseparable from authority. There is the authority of learning and taste; of syntax and grammar in language; of scholarship, of science, and of the arts. In traditional culture there is an authority attaching to the names of Shakespeare, Montaigne, Newton, and Pasteur in just as sure a sense of the word as though we were speaking of the law. There is the authority of logic, reason, and of genius. Above all, there is the residual authority of the core of values around which Western culture has been formed. This core of values—justice, reason, equity, liberty, charity—was brought into being through the union of the Greek and Judaic traditions 2,000 years ago. Until the present age, it has managed to withstand all assaults upon it. In the eighteenth and nineteenth centuries, conservatives, liberals, and radicals, however passionately they may have fought each other, nevertheless recognized, all of them, the authority of such values. It was culture and its authority, not their destruction, on which minds as diverse as Newman, Spencer, Marx, and even Proudhon rested their causes. Proudhon, let us emphasize immediately, was an anarchist, and is today the subject of youthful lip service. But no one could have surpassed Proudhon in his recognition of the necessity of authority in the social order; the authority of the family, the community, the guild; above all the authority of morality that he, as a member of the European community, recognized as the indispensable framework of culture and of social justice.

The most dangerous intellectual aspect of the contemporary scene is the widespread refusal of thinking men to distinguish between authority and power. They see the one as being as much a threat to liberty as the other. But this way lies madness—and the ultimate sovereignty of power! To contrast freedom and power is necessary. To contrast freedom and authority is folly. There can be no possible freedom in society apart from authority. "Men are qualified for civil liberty," wrote Burke, "in exact proportion to their disposition to put moral chains upon their own appetites." It is out of this disposition toward fruitful self-discipline that authority emerges, and its legiti-

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macy is recognized. Abolish the disposition and you equally abolish the capacity for liberty.

There are those, chiefly political romantics and sentimentalists, who think these "moral chains" are a part of man's own nature and that there is consequently no need to worry about their dissolution. But the horrors of our century should have taught us, if nothing else could have, the precariousness of the virtue that romantics think to lie in man's germ plasm. In truth, man's virtue is inseparable from —is as precarious as—his culture.

The importance of being bored

Boredom is one of the most dangerous accompaniments of the loss of authority in a social order. Between boredom and brute violence there is as close an affinity historically as there is between boredom and inanity, boredom and cruelty, boredom and nihilism. Yet boredom is one of the least understood, least appreciated forces in human history. A few years ago, the scientist Harlow Shapley listed boredom as third among the five principal possibilities of world destruction. Today it might seriously be considered first.

Nothing so engenders boredom in the human species as the sense of material fulfillment, of goals accomplished, of affluence possessed. It is such a boredom, born of what Eric Hoffer has called the effluvia of affluence, that goes furthest, I think, to explain the peculiar character of the contemporary New Left. I do not deny that youth brings idealism in some degree to this movement, that disenchantment with the more corrupt manifestations of middle class society plays its part. Youth is beyond question idealistic. But in our present society, youth is also bored. And it is from boredom, more than from idealism, that so much of the intellectual character of radical political action today is derived. I should more accurately say, *non*intellectual character, for it is the consecration of the *act*, the cold contempt for philosophy and program, and the increasingly ruthless behavior toward even the most intellectual parts of traditional culture that give to the New Left its most distinctive character at the present time.

It is not idealism but *boredom*—boredom born of natural authority dissolved, of too long exposure to the void; boredom inherited from parents uneasy in their middle class affluence and who mistake failure of parental nerve for liberality of rearing; boredom acquired from university teachers grown intellectually impotent and contemptuous of calling—that explains the mindless, purposeless depredations today by the young on that most precious and distinctive of Western institutions: the university.

We do well to take seriously the university and what happens to its authority in our culture. For among its prime functions traditionally has been that of serving as arbiter to that age group that has, at

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least temporarily, outgrown the authorities of family, church, and neighborhood. Potentially, this age group is the most revolutionary of all groups in society, far more revolutionary than, say, the workers, the unemployed, the impoverished. High in intelligence, emotionally buoyant, at full physical tide, this is the age group that is channeled by the university into the several areas of the professions, that provides the intellectual leaders of society. In the university is acquired lasting motivations toward learning, toward profession, toward high culture, toward membership in the social order. But, by the same token, it is this age group in the university that has largely furnished the West with its steady supply of revolutionaries. Not out of slavery, the peasantry, or from the sweatshop have our revolutionaries come, for the most part. They have, especially during the past century and a half, been bred by the university. Who is to say that our society does not require its occasional infusion of revolutionaries? But in the present age the revolutionaries have turned on the university itself, and this is not only destructive but totally self-destructive.

The university is the institution that is, by its delicate balance of function, authority, and liberty, and its normal absence of power, the least able of all institutions to withstand the fury of revolutionary force and violence. Through some kind of perverted historical wisdom the nihilism of the New Left has correctly understood the strategic position of the university in modern culture and also its constitutional fragility. Normally there are no walls, no locked gates and doors, no guards to repulse attacks on classroom, office, and academic study. Who, before the present age, would have thought it necessary to protect precious manuscripts from the hands of revolutionary marauders? Above the din of the New Left's incessant and juvenile cry for immediate amnesty can be heard Voltaire's *Ecrasez l'infâme,* directed, however, not at a corrupt feudalism, but at the freest, most liberal, and humane of all Western institutions.

Il dit tout ce qu'il veut—so runs the harsh indictment in the last century of a French critic—*mais malheureusement il n'a rien à dire.* Neither does the New Left, and this is perhaps its most vivid mark of distinction from all previous lefts in Western society. It is free to say all that it wishes, but it has nothing to say. Its program is the act of destruction, its philosophy is the obscene word or gesture, its objective the academic rubble. One need but read the recently published book by Daniel Cohn-Bendit, present philosopher-hero of the New Left, to see the truth of this. Nowhere in its two hundred and fifty pages is there to be found so much as a paragraph that a Robespierre, a Marx, a Proudhon, even—save the mark—an American Communist would not have thrown in the wastebasket as juvenile and inane.

It does not matter. A philosophy and program are not needed.

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Boredom suffices to win the New Left its constant flow of recruits. *Credo quia absurdum* could be their motto. "Alienation" is the popular and prestigious word to explain the behavior of the New Left. But the word is as ill-fitting as would be a surplice or academic hood on the shoulders of a clown. Alienation is a noble state of the human spirit, one compounded of idealism and suffering and rejection. Alienation compares with boredom as tragedy does with farce. There is no real alienation in the New Left, only the boredom that is itself the result of erosion of cultural authority, of failure of nerve in middle-class society, and of adult fear of youth.

Toward a new social contract

It would all be a transitory charade, a tale told by an idiot, were it not for one thing: the fears aroused in this same middle-class society that has lost its anchoring in natural authority. Fear of the void is for human beings a terrible fear, one that will not long be contained. That state of nature that Thomas Hobbes described as one of "continual fear, and danger of violent death," with "the life of man solitary, poor, nasty, brutish, and short" seems always to the anxious and apprehensive to be about to break through the social order, even as it seemed to Hobbes. And in this state of mind, it is only *power* that can seem redemptive, however stained with blood and violence it may be.

The modern media, and especially television, have the capacity for widening and deepening apprehensions beyond anything known before. We are told that a majority of the French people did not know about the storming of the Bastille for months. The entire country watched last summer's confrontation between New Left and police in Chicago. It was violent, ugly, and could only have aroused the chill of fear in those who had chanced to see the rise of Nazism, in Germany, the burning of the Reichstag, and the beginnings of a police system that was in time to enclothe German society like a straitjacket. But I know of no national poll or study that has shown other than approval of police actions by a large majority. The size of this majority will grow. People, we say should know better, should not let civilized restraint be undermined by demons of fear. But, as the great Bishop Butler wrote, "Things and actions are what they are, and the consequences of them will be what they will be; why, then, should we desire to be deceived?"

Human beings, I repeat, will tolerate almost anything but the threatened loss of authority in the social order: the authority of law, of custom, of convention. The void does not have to be great, or seem great, for the fears it arouses to become sweeping, for sanity in politics to disintegrate. We are told by the polls that a large number of people watching their television screens that night in Chicago

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found even the berserk actions of police and pseudo-police gratifying, reassuring, healing to the sense of security. Let us not forget too that there is a strong upswell of boredom in affluent middle-class society too. And power, as history tells us, is as often the antidote to boredom in society as to anxiety.

We need, as Max Lerner recently wrote in a thoughtful and moving column, a new social contract in our society, one that will do for our violence-torn social order what the doctrine of the social contract in the seventeenth century sought to do in that age, fresh as it was from the horrors of the religious wars. But the task will be far more difficult. The institutions of Western society are less solid and encompassing than they were then. Two centuries of convulsive social change and of remorseless increase in centralized political and economic power have seen to that. We are plagued even by our achievements, for material progress has inevitably taken toll of traditional culture.

There are, as the recent flight of Apollo 8 made clear, great events taking place in our society. But they are events of the technological, not the social, order. If the life of society is to be saved from boredom relieved only by great technological events—if it is to be saved from armed power, from depredations on traditional culture, from mass movements in which exhilaration produced by power is man's substitute for accustomed liberties—ways must be found, and found shortly, of restoring the sense of initiative in the social as well as the technological order. Above all, at this moment, we need a liberalism that is able to distinguish between legitimate authority—the authority resident in university, church, local community, family, and in language and culture—and mere power. Failure to make this distinction between authority and power can only result in the ever-wider replacement of the former by the latter. If our liberalism can see no profound difference between the authority of an academic dean, however fallible this may sometimes be, and the power of the police riot squad, we shall find ourselves getting ever greater dosages of the latter. History, surely, is unmistakable in its testimony on this point.

At the present time, the nearest to a philosophy and program that exists in the political Left is its incantatory phrases about the Establishment, bureaucracy, and technology. But with every fresh assault on the traditional authorities of the social order, the day of what Burckhardt called the "terrible simplifiers," the new men of power drawn precisely from technology in the service of armed force, comes nearer. The impulse to liberty can survive everything but the destruction of its contexts; and these are contexts of authority—a legitimate authority that is inseparable from institutions.

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ACADEMIC CONFRONTATIONS: I

Rebellion in the MLA

GEORGE P. ELLIOTT

THE profession of English these days has been providing more than its share of academic wild men, dissidents, rebels. Why?

Partly, of course, English professors are subject to the discontent and uneasiness pandemic in American intellectual life and higher education. No one would expect people who teach forestry or home economics to be in the main stream of thought, but teachers of reading and writing are likely to be affected by what is being written and thought whether they want to be or not. Moreover, undergraduates, many of whom are passionately concerned about the vast insolubles of life, keep pushing their English teachers to talk about big things. Other humane disciplines like to present intellectual subjects as problems; they aspire to train students to ask answerable questions. But how can you solve *Moby Dick* or *The Way of the World?* Do you want an answer to "Who is Sylvia, what is she?" Evil, love, God, truth, justice, reality, human nature—it is hard to keep them all out of an English class all the time. And the students are, willy-nilly, going to bring them in in their contemporary dress, Vietnam, sexual freedom, who are *you* to tell *me?*, black power, the foundations of value, *why not?* It is true that there are plenty of English teachers whom neither the texts nor the students can goad into thinking: the walls of pedantry are high, thick walls. But there are a lot who cannot resist or do not want to resist; they not only think, they feel about what they think. And once you begin thinking, you are likely to think about your profession, espe-

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cially because the subject is being much talked about these days.

But this general reason for ferment in English applies to several other disciplines to a greater or lesser extent: the physicists made the bomb and sociologists study current social trends; yet neither are as noisy as English teachers. Nobody can beat the collective academic-intellectual breast louder than an English professor. Why? Because, I think, the other main-stream disciplines, especially the natural and social sciences, don't find it so easy to confuse *mea culpa* with *tea culpa:* it's easy to feel unbribable when no one has tried to bribe you. When you get $500 a day (plus expenses, first class) to advise an electronics firm on setting up a system to produce for the Defense Department a mechanism that will help kill people, you know damned well you are in it over your eyebrows; you're one of the gang. When a university press offers you $65 (without return postage, even fourth class) to give your opinion on a four-hundred-page typescript of a study of Trollope, you can quite easily feel professionally pure. (Not the least of the reasons, nor the best either, for Marshall McLuhan's precipitous decline in professional esteem is that he commanded for his services the fees usually reserved for star metallurgists and the kind of psychologists that advertising finds usable.) Because those who have great power do not seek your counsel, you are not obliged really to think about power, force, corruption, the details of political struggle and decision, governing. The most prestigious intellectual counselor of political resistance and rebellion in the country today is Noam Chomsky (who has gone from English proper into comparative literature and linguistics). His political writing betrays the fragile purity of one who has not really imagined what it means to govern.

But a too easy indignation over the wickedness of rulers, of those who support them, and of those who fail to oppose them vigorously is not reserved for English teachers. Neither is another malady that is intellectually widespread these days, though English teachers are more susceptible to it than they should be. I call it idolizing the *Zeitgeist*—substituting Current Events for History in high school curricula, that sort of thing.

Literarily, the lowest version of this idolatry is keeping up with fashion. In New York, the center of literary fashion, I have met people of some power and judgment who behave as though books and writers existed to provide them with cocktail party gossip; in provincial colleges, I have frequently been asked what *they* (or I as *their* presumed spokesman) are saying about so-and-so these days in New York. A more respectable, more serious version of the idolatry is using relevance as an essential touchstone for judging a work of literature.

The death of god, the rise of science, the appearance of mass culture

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> —these clichés, though probably true enough, tell us little about the states of mind from which our feelings, thoughts and actions proceed. Since my interests lie in the urgencies of the moment, I shall address myself to these states of mind.

This statement comes from the preface to *On Modernism* (Cambridge, Mass.: MIT Press, 1967) by Louis Kampf, a colleague of Chomsky's at MIT and a recently elected vice-president of the Modern Language Association (MLA). He means it.

> [T]raditional drama's task is to reconcile the spectator, emotionally and, perhaps, rationally, to the system of belief it has explored. . . . If a play accomplishes this, it has performed a political act, for to reconcile the individual to the given system of belief is, of course, to reconcile him to his society and to an acceptance of the status quo. There are important exceptions to this in the tradition, like *King Lear:* But surely that we think of Shakespeare's play as being modern should help to make my point.

It would take a long time to disentangle thoroughly the confusions and errors of these sentences. I will confine myself to one statement and one assumption. The statement is: "we think of *Lear* as being modern." No, we don't. Even in Jan Kott's view *(Shakespeare Our Contemporary), Lear* is no more modern than several others of Shakespeare's plays. It is not about our time; it is about timeless subjects that are universal enough to apply also to us. It is not in our idiom; it is in the idiom of another time, but an idiom that transcends its limitations and speaks to us too. Kampf's assumption, elaborated in the book, carries modernism to an extreme. (Roughly, modernism means an anti-traditional intellectual and literary movement, the founders of which were the *philosophes* of the Enlightenment and the greatest saint of which, for both his life and his works, was Joyce.) Kampf assumes that it is wrong to reconcile anyone to any society, or at least to any society which isn't close enough to nature to have shamans. You probably suspect by now, if you are reasonable, that I am distorting Kampf. But I don't need to. He parodies himself: "[I]f an intellectual is to carry out his task of criticism properly, he must necessarily be a revolutionary socialist." (Yet in his book his chief intellectual mentors are Alexander Herzen, the Russian populist—and Matthew Arnold!) I take his position, a sort of permanent Crisis-Now, as representing an absurd limit, and by absurd here I don't mean something mysterious and noble, but something dangerously nonsensical.

Not many English professors are as far out as Kampf toward anarchism. But at the business meeting of the MLA on December 29, 1968 there were enough of them to elect Kampf to office. And enough others, including myself, are sufficiently disgruntled with the MLA and its annual conventions to get a surreptitious kick out of

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the fracas the rebels caused, especially because it was an Aristophanic burlesque of a revolutionary seizure of power. Here is a clearly biased, but accurate, account of what happened. My information comes from my own observation (I was there on business, though not a member), from eyewitnesses, from a telephone interview with John Fisher, the executive secretary of the MLA, and from statements by Fisher, Kampf, and Henry Nash Smith, the newly elected president, in the March 1969 issue of *Publications of the Modern Language Association (PMLA).*

A mini-revolution

To fill in: An MLA convention is dismal just because it is a big convention. To be in a hotel with from 6,000 to 10,000 fellow conventioneers is enough to make a man want to run to the woods and never come out. Why this American custom of holding huge conventions? I went to an AFL convention once; the tone of it was similar to that of an MLA convention except for the parties, which tended less toward liquor and talk than toward liquor and whores; also, the professors, most of whom are there for business or careerist reasons, pretend that the purpose of their convention is to exchange ideas and listen to learned papers, whereas the union men know that they are there to make deals and set policy; but the same strained, heavy, galvanized conviviality infects them both. I have never heard anyone say he was going to an annual MLA meeting for intellectual reasons, that is, to exchange ideas. People go to look for a job or to hire (or just to see old friends). If the conventions aspired to do no more than to perform these trade functions adequately, they would, I suppose, continue to have a reason to exist, though they would be not much less dispiriting than they are now. A serious exchange of ideas should—*can*—occur only in small gatherings, say in regional meetings of the MLA or in special groups such as The English Institute.

All dreary and familiar—and quite low on the list of institutional evils demanding prompt remedy for the good of American society. And very, very, *very* safe to rebel against.

In August 1968, Louis Kampf joined the MLA. In the December 19 issue of *The New York Review of Books,* there appeared a letter announcing an open meeting of dissidents to be held at Columbia on the evening of Thursday, December 26, the night before the convention really got under way; the announcement was signed by Kampf along with five others including Richard Ohmann, editor of *College English,* and Chomsky. The meeting was well attended.

Friday morning in the Americana, where the English half of the MLA was meeting (the foreign language half met in a hotel nearby), Kampf and some others passed out leaflets in the hotel corridors

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and lobby, harangued conventioneers, and tried to attach political protest signs to the walls. They had not asked for permission to demonstrate politically; their language was sometimes revolutionary, at least in vocabulary. The hotel security staff told them to stop; when they continued, the hotel people, instead of waiting till the MLA officials had mediated, or had at least tried to mediate, these activities into some more acceptable form, called the police, who arrived by carloads ready for riot. Kampf and two others were arrested; a few hours later they were released, and largely as a result of the good offices of the men in charge of the MLA, the hotel promised not to press charges and to permit limited demonstrations the next day. Friday evening the dissidents caucused again, in large numbers.

Saturday morning I happened to come upon a group of sanctioned protesters seated in the lobby protesting. Presumably they were students and teachers of high literature, but the runes of their discourtesy took the form of that impoverished dirty talk that is now as expectable from a middle-class young white rebel as sandals. A ring of suit-and-tie type professors were milling about them. The whole episode dissolved after a while without further disturbance. I could not decide which repelled me more, the juiceless, pinch-nosed professors, a witch-burner gleam in their eyes, saying "How disgusting! What language!" or the unkempt provocateurs, assassination glinting in *their* eyes, calling them "motherfuckers." I was sure at least of one thing, that I was sorry to be a member of the profession. That afternoon Chomsky, not a member, delivered, at the invitation of the MLA, a learned paper on transformational-generative grammar—a topic second to none other listed in the program for its obscurity and the erudition it demands. That evening there was a party of the zealots, and Chomsky counseled restraint, saying they should work from within the organization, not destroy it. Late Saturday evening, the Sunday *Times* appeared. It reported that the reformers were "laying plans for disobeying convention rules during a controversial vote" and quoted a graduate student as saying, "If we're lucky, the police will have to be called in."

On Sunday morning the business meeting of the MLA took place. Commonly, very few members attend this meeting. (Very few members of any big organization attend business meetings: who enjoys being a rubber stamp for the executive committee?) It is the MLA custom each year to elect as second vice-president a distinguished professor whom the nominating committee has selected; the following year he moves up to first vice-president, and the third year he serves as president. The constitution does not require this procedure; it is merely custom, and, of course, there is nothing of which anarchists are more contemptuous than custom, especially a *middle-class* custom. A group of rebels and sympathizers attended

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the December 29 meeting; not even the publicity about their threatening actions and intentions had shaken regular members out of their torpor; the rebels did not have to disobey any rules at the meeting, because they found themselves in a majority (299 to 243, out of more than 11,000 members registered as being in attendance). Once they got power, it turned out they weren't Mallorys of anarchism after all, ready to demolish an institution because it was *there; there* was the MLA, but they neither voted it out of existence nor did anything else very astounding to it. They elected Kampf second vice-president instead of the nominee (Stuart Atkins, a professor of German) and passed four political resolutions three of which are more or less appropriate to the MLA, though provocatively worded, but one of which, urging United States withdrawal from Vietnam, is so inappropriate as to be eminently ignorable by those in power, one more petition for Washington's vertical file. Kampf's statement includes this declaration of intention:

> The reformers have no desire to create a counter-organization to the MLA. They would like, instead, to create the kind of atmosphere and the necessary structures which will allow people to come to the Annual Meeting to participate in substantive activities, rather than to do business or to mingle with the great.

If by "substantive activities" all he means is politics, well and good, it is clear what he is up to. But I think he also very much wants the MLA convention to further intellectual intercourse—the function that it has demonstrated itself incapable of performing, out of sheer gigantism—and to cease the humbler business or trade function it has proved halfway competent at. He may well be sincere: without a trace of conscious malice, he would utopize mundane old MLA right out of existence. Or is he cunningly disingenuous? He refers contemptuously to the "secretariat" of the MLA, says they panicked because of the demonstration, and blames them for stirring the Americana management to call the police.

> This panic is best illustrated by the fact that a random statement by a random graduate student, flippantly reported in *The New York Times*, was taken seriously. There was no threat of violence at the Meeting—ever!

Of course there was no threat of violence. What the quoted student meant, obviously, was that he hoped they would provoke The Establishment (The Americana's, the MLA's, *some* Establishment) into causing the police to use violence. A responsible official wouldn't have to be hysterical with panic to take that meaning seriously (Chicago?). It is hard to believe that an associate professor of literature at an institution as intellectually prestigious as MIT, full of ideas, widely read (like quite a few English professors all over the country), one who in his writing acknowledges his intellectual debts

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(like a good scholar, following the MLA style sheet), could be naïve enough to mean Kampf's words straight and to misunderstand that student's plain meaning.

How we could use a Henry Fielding to do up this whole mini-revolution in the mock-epic burlesque style it deserves! Otherwise, in the heated obscurities of factionalism, people may lose sight of the simple fact that almost none of the ills of the profession were caused by the MLA and almost none would be cured by its abolition or reform. It did not create and does not in itself perpetuate the oppressive power of "Germanic" scholarship; the main harm it does is to promote melancholy in those who attend its conventions. A motherfucking attentat against that dropsical giant? Herzen must be squirming in his grave.

The Ph.D. octopus

The profession of English has its ills, and they have engendered a discontent that has contributed to the rebellious zeal of many English teachers. The key professional issue, as I see it, is certification. On what grounds will a department certify a student as competent to go forth and profess English?

The narrow form of the question is: What do you have to do to get a Ph.D.? This of course is a question that has vexed all the humanities for a long time. William James in 1903, in an essay entitled "The Ph.D. Octopus," in a relaxed, severe, wise way, defined the harm that the Ph.D. system of certifying teachers of the humanities was doing and the greater harm it would continue to do if it was not checked (it was not), and he proposed some sensible remedies. I modify his ideas a little: in English, the essence of the trouble is both too many examinations and also the Laputan notion that there is a connection between the ability to write a pseudo-scientific dissertation in the tradition of Germanic scholarship and the ability to teach literature—indeed, a connection between the ability to write anything, whether scholarly, critical, or "creative," and the ability to teach. In English, faith in the conventional Ph.D. system of certification has undergone drastic erosion in the past generation. The learned articles and books proliferate (you still need to publish to get a good job, or a better job), but most of them are produced with a weary cynicism that is hard on the teacherly spirit. Still, there is in fact a good deal of superb literary scholarship being produced in the country now. Kampf is being, as usual, absurdly wholesale when he opens his essay "The Scandal of Literary Scholarship," in Theodore Roszak, ed., *The Dissenting Academy* (New York: Vintage, 1968), with this statement: "Of the death of academic literary study as a serious enterprise, few seem to be aware." Scholarship, whether Germanic or academic or any other kind, entails being

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scrupulous about every detail: fine when you are editing *Paradise Lost,* but deadly when you are teaching it to undergraduates—great when you are collecting the materials for a biography (as Ellmann was scrupulous in researching for his life of Joyce), but tedious when you are writing a biography for the world at large (as Ellmann was not tedious in writing *James Joyce*)—indispensable when you are studying many great writers (Chaucer), but grotesque for a writer who isn't worth reading anyway (Kampf's illustration will serve, Henry Seton Merriman, a well-forgotten novelist about whom a book-length scholarly study was recently published). When a professor is coming up for promotion, he is asked, "What have you published?" Suppose he was asked instead, "Why did you write this in the first place?" Dozens of university presses would go out of business, there would be room on library shelves again, whole forests would remain standing that now are pulped.

What is obviously needed is to keep the Ph.D. for the few who really are scholars and to have another degree for the many who are not scholars but love literature and want to teach it to the very many young who also love it. Such a degree was in fact instituted at Yale four years ago and has begun to be instituted in other important universities. Basically it is the Ph.D. without the dissertation and with fewer examinations than formerly. What this degree (it has several labels, such as Doctor of Arts or Master of Philosophy) certifies is that a given department is of the opinion that the person who holds this degree knows enough, is intelligent and sensitive enough and talks well enough to teach college English.

What exactly does an English teacher teach? "English," though popular, is ill-defined. What chiefly draws students and what originally drew professors is plain love of literature, and the core of English should be, as it generally is, literary appreciation and understanding. In English, the justification of scholarship, the good of criticism, and the highest goal of teaching is to bring a student and a text together. But English incorporates a number of other activities as well. Some of these are only accidentally related to the core activity: freshman English tries to make up for what the schools failed to do, teach the young to write decent prose; "creative writing" is a craft course in how to revise; Anglo-Saxon, which is about as useful to the study of English literature as Ojibwa would be to the study of American literature, owes its presence in English departments to accident alone, 1066 and all that. (The quasi-science of linguistics is in process of establishing itself as an academic discipline separate from English.) But many of the ancillary activities are attached more naturally to the core: because the body of literature in English is large and rich, literary history serves an obvious function; because it is intimately tied to other literatures, English courses frequently incorporate texts translated from other languages, become

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in fact comparative literature; because it is intimately connected with society and ideas and philosophy and religion and everything else covered by the word "humanistic," English courses often range widely.

Why not? The main thing—what happens when a student and a poem are brought together—you can't really talk about. You have to talk about something in the classroom. During the long decades of bondage to scholarship, you were supposed to teach scholarship itself—though actually a great many teachers fudged and taught poetry instead. Now in the classroom an English teacher is really quite free to range, and a good thing too. The system, even in the most permissive college, won't let you be Socrates, but neither, in any halfway decent college, will it break you down, though it will surely weigh on your spirit.

I made that crack about Socrates because of a sentence in Roszak's preface to *The Dissenting Academy:* "It is, from first to last, the spirit of Socrates that broods over 'the dissenting academy' this volume comprises." I yield to no one in my reverence for Socrates and for the Plato whom his brooding spirit hatched. But I do not think that Roszak, Chomsky, Kampf, and the eight others who contributed to this book are Socrates' chicks any more than I am. Socrates did it free, and all of us are paid salaries to do it (nice, comfortable middle-class salaries), by institutions whose money comes from students, business, and government. The difference is absolute: Socrates was far freer than we, as well as far wiser. But that does not imply that we who teach literature are "an army of vermin" (Kampf's phrase; he does not squander his energy on niceties of moral discrimination). Moreover, the Socrates whom I revere in Plato's dialogues I enjoy laughing at in Aristophanes' *The Clouds.* Teachers always have been and always will be objects of ridicule. The more exalted the subject a teacher professes, the greater will be the gap between that subject and the way he talks about it, except on those rare and blessed occasions when he is up to the subject. Not even Socrates was always as exalted as his subjects, and we who presume to teach the noblest verbal creations of man had better be prepared, as Socrates was, to be laughed at and to laugh at ourselves. Modesty: a virtue that quite a few English teachers have but that Kampf, the arch-dissident, has little use for.

> Being modern, and naturally diseased, I cannot leave well enough alone; being an intellectual with some pride, I assume you will be only too happy to take the plunge with me.

It is appropriate that the book that Louis Kampf, this Robespierre of scholarship, this Danton of the MLA, this Marat of the Americana, should have published is a study of modernism, for modernism is the root of the disturbance in English.

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Modernism and the orthodoxy of rebelliousness

I have mentioned other contributions to the radical activism in the profession, and they are important enough; but none of them is half so important as the fact that modernist literature is taught by many English professsors, especially by those who think of themselves as intellectuals in direct descent from the *philosophes*. A teacher is likely to be affected more than aesthetically by what he teaches, and I believe that the academic orthodoxy of rebelliousness, disaffection at least, nihilism at most, derives in considerable part from the study and teaching of modernist literature.

Literary Modernism, edited by Irving Howe (New York: Fawcett, 1967), includes the best essays on the subject I have read. Trilling's "On the Modern Element in Modern Literature" is excellent in itself and helps one understand something of what is meant by the term; Howe's introduction, "The Idea of the Modern," helps even more. All the same, I can draw only the most uncertain line between modernist and traditionalist literature on the basis of these essays. (Kampf's assumption is easier to understand, being sheer imperialism: if it's written since the Enlightenment and it's any good, it must be modernist—for example, Wordsworth's *The Prelude!*) Some modernist writers, such as Pound, go in for sensational formal innovation and experiments, but others, such as Baudelaire, are as quiescent formally as any traditionalist. Moreover, the modernists do not have a monopoly on criticizing that whole bourgeois, respectable, secular, urban, industrial civilization of which Nietzsche is the savagest, maddest scourger; no writer worth talking about, that I can think of, speaks well of it as it is and has long been, if he speaks of it at all.

In my view, just as the best way to define that uncertain but useful category "metaphysical poetry" is to list the seventeenth-century British poets who wrote it and to name the main metaphysical poems they wrote, so the best way to define literary modernism is to make two lists, one of modernist texts and avatars, the other of traditionalist texts and authors (literary traditionalism doesn't go in for heroes and reverse saints so much as for men who write books). This is not the occasion for full-scale taxonomy, even if I had the scholarship for the job. But maybe listing a few of the names will help sketch out a definition. The names in the modernist column have been gleaned from such sources as Howe's anthology; those in the traditionalist column occur in F. R. Leavis's *The Great Tradition* (such as *Middlemarch*), are loudly omitted from discussion by critics of modernism (*War and Peace*), or are included on my own judgment (Frost). Some big names are omitted as being too arguable, Rilke and Mann for instance. Some writers occur on both sides.

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MODERNISTS	TRADITIONALISTS
Diderot: *Rameau's Nephew*	Fielding
Baudelaire	Keats: poems and letters
Büchner: plays	Jane Austen
Dostoevsky: *Notes from Underground*	Dostoevsky: *The Brothers Karamazov, Crime and Punishment*
Nietzsche	Tolstoy: *War and Peace, Anna Karenina*
Tolstoy: *Death of Ivan Ilich*	Balzac
Flaubert	Chekhov: stories
Ibsen	Hugo
Rimbaud	G. Eliot: *Middlemarch*
Joyce: *in excelsis*	Hardy
Pound	T. S. Eliot: late
T. S. Eliot: early	James
Gide: especially *The Journals*	Proust
Proust	Frost
Kafka	Lawrence: stories
Genet	Auden
Beckett	

The main generalization I would draw from these lists has to do with attitude and emphasis. A modernist text dwells on the disorder and alienation of "modern" experience, whereas a traditionalist text, emphasizing the humanity of character and author both, seeks order and values fellow feeling. Modernism is obsessed with disconnection and disease (*Notes from Underground*); traditionalism connects us with the man who is diseased (*Crime and Punishment*). Flaubert's cold detestation of the world of *Madame Bovary*, of nearly all the personages in it, and of Emma's tawdry dreams, profoundly affects our relation to that world and those people; we are fascinated and estranged at once, fascinated by the artistry of the book but estranged from the life it deals with. Balzac so much enjoys detesting his mediocrities and monomaniacs and so enjoys loving his good characters that our undivisive response to his fiction is vital pleasure. *The Wasteland* is a vision of disorder, and is itself disordered. Some of Yeats's lyrics, especially "The Second Coming," present a vision of disorder but are themselves masterpieces of order; moreover, Yeats also gave us a magnificent vision of imagined order in the total body of his poetry; I would list him on the traditionalist side, though the modernists claim him too. No matter. What seems to me evident is that traditional, humanist literature did not yield place to, and is now surviving, the antitraditional, modernist movement. Howe's essay is in fact a valedictory to modernism, and concludes with these moving sentences:

> How enviable death must be to those who no longer have reason to live yet are unable to make themselves die! Modernism will not come to an end; its war chants will be repeated through the decades. For what seems to await it is a more painful and certainly less dignified con-

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> clusion than that of previous cultural movements: what awaits it is publicity and sensation, the kind of savage parody which may indeed be the only fate worse than death.

Amen. To be perpetuated by the Terry Southerns of the mind, that is the living end.

Modernist literature is very strong stuff, and teaching it, especially if you don't balance it with a fit regard for the equally strong and far less alienating traditionalist literature, can be unbalancing (if you want a current example of such imbalance, read *Paunch,* a journal edited by Arthur Efron, of the English Department of SUNY at Buffalo). Here is a sentence from Kampf: "And so we continue with our experiments, with this bullying quest for order which, oddly enough, expresses itself as destructive chaos." Order expressing itself as chaos: it sounds like a parody of modernism.

My point about the dangerous potentials of modernism has been made, eloquently, by Robert Brustein (formerly a professor of English at Columbia, now Dean of the Yale Drama School), an enthusiastic student of modernist literature who has been confronted recently by the consequences of his own teaching. As critic (*The Theatre of Revolt*) and drama reviewer (for *The New Republic*), Brustein for some years encouraged extreme theatrical rebelliousness of the Living Theater variety. Last fall he invited the Living Theater (which had been in self-imposed "exile" for four years) to perform at Yale—and was appalled by what he saw. The following is from his article in *The New York Review of Books* for February 13, 1969:

> What was finally most disturbing about the Living Theater was the content of the ideology it was marketing under the name of anarchism. . . . Love and brotherhood were continually on the lips of the actors, but no actors in my experience have bristled with so much aggression or more successfully galvanized the aggression of the spectator. . . . It was, finally, not a vision of human freedom that one took away from *Paradise Now* but vague, disturbing memories of the youth rallies in Hitler's Nuremberg. The return of the Living Theater described a full circle in so far as the company had now taken on the very authoritarian qualities it had once denounced.

From modernism to anarchism is too easy a step to make, and from anarchism to totalitarianism, these days, is no step at all.

The profession of English

The ills peculiar to the profession of English dwindle beside the general troubles with which higher education and its institutions are afflicted now; but that is another, much longer, much more disturbing story, and is being told elsewhere. As a matter of fact, English by and large is in pretty fair condition. Many professors of English are primarily devoted to literature rather than to scholar-

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ship; they know what ought to happen in their classrooms and sometimes get it to happen; they are neither unbalanced by modernism nor crippled by the MLA; they are aware of the larger troubles besetting colleges and universities and are willing to help reform the institutions they work in and are a part of; they think that what they do matters both to individuals and to society as a whole. Norman Mailer, a writer noted less for his moderation than for his acumen, was not far from the mark when he said of Eugene McCarthy, in *Miami and the Siege of Chicago* (New York: Signet, 1968):

> McCarthy did not look nor feel like a President, not that tall tired man with his bright subtle eyes which could sharpen the razor's edge of a nuance, no, he seemed more like the dean [sic] of the finest English department in the land. There wasn't that sense of a man with vast ambition and sufficient character to make it luminous, so there was not that charisma which leaves no argument about the nature of the attempt.

Intelligent, decent, responsible, given to irony and understatement, not wildly exciting, unheroic but not devoid of courage, stubborn, humane: civilized and civilizing in a society under siege from a barbarism of its own sanctioning and threatened with unimaginable alteration by its own inventions.

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ACADEMIC CONFRONTATIONS: II

Barbarism, virtue, and the university

SIDNEY HOOK

DURING the last five years, American universities have been disrupted by student disorders unprecedented in scope and intensity. The shock waves, reverberating from coast to coast, have not merely shattered the placid routines of campus life. They have also had a profoundly disturbing effect on traditional, complacent assumptions about the character of American education and have unsettled therewith the entire intellectual climate.

One of the most significant signs of this change in climate has been the emergence and growing influence of a novel-sounding set of doctrines about the nature of the university and its vocation in a time of troubles. If acted upon, these doctrines contain the promise (I should say threat) of educational changes so vast that they can only be called revolutionary (I should say counter-revolutionary). It is doubtful whether these doctrines—about knowledge, scholarship, and the university—have actually inspired student disorders; so far, they have functioned mainly as rationalizations after the event. Potentially, however, they have enormous social and educational significance.

The relationship between the phenomenon of student rebellion when it is self-consciously revolutionary (as in the case of the so-called Students for Democratic Society) and the novel-sounding doctrines of scholarly and university "engagement" may be char-

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acterized as follows: The chief student advocates of revolutionary change declare that they are not interested in *educational* change ("We do not want a 'free' university in this society."—Mark Rudd, *New York Sunday Times Magazine,* August 4, 1968), but in *political* change, because they believe no genuine educational reconstruction is possible in a society where "totality of exploitation" exists. On the other hand, the chief protagonists of the philosophy of "engagement" (or "commitment") assert that learning and scholarship are themselves never really objective, that there is a ubiquitous, even if implicit, commitment to a moral (and, therefore, basically political) perspective in the vocation of the scholar and in the mission of the university. Consequently, to the extent that the scholar and the university are faithful to their educational and cultural calling, they must espouse the cause of "the party of humanity," which, insofar as it is defined in specific issues about war and peace, slavery and freedom, poverty and welfare, is inescapably a virtuously partisan political cause.

Those who hold this latter position do not necessarily approve or condone the students' violence or their commitment to total social revolution. Even if they say they believe in revolution, it usually turns out that they mean large-scale social reform; most, in fact, deplore the word, "revolution," preferring such adjectival terms as "progressive," "advanced," "forward-looking," "human" to characterize the changes they desire. But what both groups have in common is the view that scholars as scholars, and their institutions, have a primary commitment, not only to the pursuit of truth by the arts of reason, but to virtue—where virtue means not simply the values of intellectual integrity, but "allegiance to humanity" and other synonymous expressions equally edifying and ultimately political.

I propose to examine some of the facets of this novel-sounding philosophy of education, independently of its bearing on student activism and on movements for restructuring the university.

Scholars as "liberators"

The first thing to note about this philosophy is its high-mindedness. It has a most exalted conception of the role of the scholar and of scholarship, and of the university as a community of scholars. One representative of this view believes that "the republic of learning" has a moral responsibility to contribute to "the civic republic" and to civic virtue, and urges recognition of this responsibility upon all professional associations.[1] Another speaks of "the moral obliga-

[1] Carl E. Schorske, "Professional Ethos and Public Crisis: A Historian's Reflections," *PMLA,* Vol. 83, September 1968.

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tion" not only of the citizen, but of the scholar and "of the University as a corporate body."[2]

And no wonder, for the university even more obviously than the church is the temple of the human spirit. "The University is meant to house and celebrate the spiritual existence of man." This responsibility to the human spirit is not only integral to the life of scholarship, it is also universal. The scholar must serve by his scholarship not only his family, his class, his society, his nation and race, but all of mankind.

If one discounts the rhetorical exaggeration, almost any scholar could subscribe to these propositions. In a sense, to serve truth *is* to serve all mankind, and the quest for the truth has often been called divine service. But we would badly mistake the intent of the philosophy we are discussing if we interpreted it in this innocent way. On the contrary, it means to deny the view that the life of scholarship, even in its own specialized or professional function, can ever be sufficient to itself. And it further means to assert that to conceive scholarship as such is irresponsible and immoral.

The requirement that knowledge serve man, or at least not harm him, is more or less stringently applied, depending on the particular spokesman we are listening to. Perhaps the most extreme claim comes from a teacher of philosophy quoted above. In his view,

> a free and human community of scholars can only flourish when the multitudinous communities of the exploited, the wretched, and the brutalized peoples of the earth have broken the bonds of their subservience and established themselves as men of full stature.

Thus, one measure of the sincerity of our vocation as scholars is the extent to which our scholarship helps liberate humanity from such exploitation. And if our scholarship is just scholarship, without such liberating intention or consequences or is used to bolster causes opposed to socialization of society and the emancipation of man? Then, according to another influential spokesman for this view, we may feel free to regard it as "regressive" and implicitly "repressive." Such "repressive" scholarship cannot enjoy the same right of propagation as scholarship that liberates.[3] Clearly, once scholarship is placed in leading strings to anything beyond its professional ethos, there are far-reaching consequences.

Such consequences are inescapable. For if the commitment of the scholar and the university is moral, and not only intellectual, if it is a commitment to virtue and not only to truth, how does this commitment operate when the scholar encounters conflicts among

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[2] Richard Lichtman, "The University: Mask for Privilege?" *The Center Magazine*, Vol. 1, No. 2, January 1968.

[3] Herbert Marcuse, "Repressive Tolerance," in *A Critique of Pure Tolerance* (Boston: Beacon Press, 1965).

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moral values? After all, the moral experience grows precisely out of such a conflict among values. Scholarship may assert that its mission is to further happiness, enhance justice, realize freedom, achieve peace. But what if these and other values conflict with one another—as they always do? And what if some of them, sometimes, conflict with the truth? Who is to judge what values are to be given priority, what is to be compromised and when?

These are exactly the moral and political questions with which the citizen must concern himself—and the scholar-as-citizen, too. But must the scholar-as-scholar, must his profession as an association of scholars, must the university as a community of scholars also grapple with them and make decisions with respect to them? How can they do so without becoming arenas of political struggle in the most ordinary sense of politics? If the scholar can only be faithful to his vocation if he concerns himself with the "multitudinous communities of the exploited, wretched and brutalized," with the threats to human freedom and world peace, who is to draw the line and say, "Here politics begins, and here it ends?"

Not only are these difficulties obvious, they are old and familiar and warrant greater attention than they have received by those who would commit scholars to the redemption of man. And they cannot be glossed over by quotations out of context from Matthew Arnold. One writer quotes Arnold to the effect that culture is the desire "to make reason and the will of God prevail." (It is not altogether coincidental that these are actually the words of Bishop Wilson, whom Arnold is quoting.) He then adds, "I doubt that there can be a justification of culture, scholarship, or the Modern Language Association that does not in part rely on this fundamentally social aim"[4] to make reason and the will of God prevail. There is a teasing ambiguity in the phrase "in part"; does it mean that one must be partly committed to reason and to God to justify the existence of the MLA or that total commitment to reason and God is only part of such a justification? Either way, it is high-sounding nonsense. Suppose one does not believe in God, in whole or in part, and like David Hume and Bertrand Russell holds that "reason is, and ought only to be, the slave of the passions." Shall we drive him out of the MLA or proclaim him an enemy of culture and scholarship? If we don't treat him that way in behalf of God and Reason, why should we act otherwise in behalf of Man and Social Progress?

Before examining in further detail the claims made about the responsibility of scholarship in a world in crisis—or simply the responsibility of scholarship, for in our epoch we have never lived

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[4] Richard Ohmann, "The MLA and the Politics of Inadvertence," *PMLA*, Vol. 83, September 1968.

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in a world that was not in crisis—let us look more closely at the philosophy of learning that is being attacked as inadequate or craven or hypocritical.

A distinction is not a divorce

Summarily put, the prevailing philosophy now under criticism holds that the primary purpose of the university (or "mission," if one prefers a grander word) and of the scholars and of professional associations of scholars is not the quest for power or for virtue, but for significant truths—their discovery, transmission, and critical evaluation by teaching and/or publication and the promotion of programs of study, research, and teaching to further this purpose. Although it has roots in the past, this conception was never widely accepted in ancient or medieval times. It is comparatively modern, no older than the principles of academic freedom in which it is implicit. It has made its way against great obstacles, especially attempts to harness the allegiance of the scholars to the city-state, the church, nation, and the political party (including the party of humanity). In speaking of this goal as an ideal, I am saying that it *should* function as a guide in questions of scholarship and scholarly behavior, not that it always has. The adherents of this ideal must expect to find themselves embattled against those who fear its pursuit may undermine the social and political status quo, as well as against those who are impatient with its irrelevance to their struggle for the overthrow of the status quo. So it is not surprising that this ideal is now being dismissed as a familiar and tired cliché. It is a little more surprising that it is so radically misunderstood by some of its most vehement, and sometimes scholarly, critics.

First, it does not make a separation or divorce between the scholar and the citizen. It makes a *distinction* between them. It leaves the individual free to map or pursue any course to heaven or hell as a citizen, without losing his professional standing as a scholar. But it denies him or any group of individuals the right to impose on the community of scholars in their professional associations, or on the university as a corporate entity, any particular goal or any particular path to it. It is historically pertinent to observe that those of us in the academy who, as citizens, have spent the better part of our lives passionately engaged in what we have believed to be good causes, whether won or lost, would never have presumed to demand that *the* university as such be committed to them—with one "exception" that turns out no exception. For our experience has been an unremitting and hotly contested struggle for scholars to exercise their rights as citizens to engage in political action without jeopardizing or prejudicing their membership or standing in the professional community. The irony of the situation, as we shall see,

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is that this academic freedom, so largely but not completely won, is under attack by some who enjoy it only because the university as a corporate entity is *not* committed to a political goal.

Second, the pursuit of the truth by the scholar, working alone or with his colleagues, need not entail withdrawal or isolation from society, or aseptic purity from the grime, strife, and clamor of the marketplace. Even the purest scientist may have to dirty his hands; it all depends on his project. The life of mind when it seeks truth of fact is a life of action. The astronomer who traces the course of the stars, the physicists and biologists with their electron microscopes—they are engaged in controlled observation and experiment, and this is an *activity*.

In the house of scholarship there are many mansions. Society is a great laboratory in which many scholars must and do involve themselves in the very interests of truth. But the manner and degree of involvement does not warrant making any invidious distinctions. There are lonely thinkers who test their ideas by poring over dusty texts in the hush of libraries: others who manipulate dials in soundproof laboratories; others who work in the turmoil of cities, its welfare centers, clinics, courts. We do not have to recognize any order of nobility here. So long as the choice of a problem is uncoerced and conclusions are not predetermined by the will to believe (or by the dogmas of church or party), it is irrelevant whether the motivation behind it flows from a moral impulse or from sheer intellectual curiosity.

Academic freedom and scholarly responsibility

Third, the scholar can concern himself as a scholar with *any* problem within his competence. He doesn't need a philosophy of social commitment to justify concern with the social implications of any piece of knowledge. No one can be sure in advance what the quest for knowledge will bring forth. Not all things in the world are interrelated. Some obviously are. An electronic discovery may uncover ways of breaching privacy or controlling emotions; a biological breakthrough may make possible the control of population; a new chemical agent may upset the ecology of a region. The study of the implications of the findings in any one field on any other field—on human welfare, war or peace, belief in God, freedom, or immortality—is always in order, if one is interested in it. It is just as legitimate a subject for scholarship as any other subject. To urge the study and clarification of the implications of discovery in any field for public policy is no departure from the ideal of scholarship, but merely to extend its scope. It is banging on any open door of a room any scholar can enter. But it is demonstrably false, as well as presumptuous, to assert that one cannot properly pursue a problem

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of scholarly research without *also* pursuing the question: What are the implications of its findings for human welfare? Or is it good or bad for man?

The tangled complex of issues involved in the alleged "indifferentism of value-free science" have nothing to do with this point. The findings of any science, to the extent that they are scientific, are "value free." To ask what bearing these findings have on this or that human value, or on some aspect of human life, or any policy alternative, is to ask another type of question, to which the answer, if it is a true and scholarly answer, must *also* be "value-free." The historical relativity of scholarly judgments is another red herring. Suffice it to say that no one can meaningfully explain something as being historically relative to human values, or to anything else, without committing himself to a "value-free," objective judgment about that relation.

A simple illustration will do. I may study the growth of automation in society out of fascination for the phenomenon or out of loathing. That is a legitimate problem for a scholar. I may, out of fear, or in hope, investigate the social consequences of automation on employment, vocational education, leisure time, or what not. That is another legitimate problem. But I can study the first without the second. And I can study the second without, as a scholar, committing myself to a policy or program of social action that as a citizen I may feel keenly about.

There is a dangerous ambiguity in Professor Carl Schorske's statement that the individual scholar can be protected in the pursuit of truth only if the *scholarly community* recognizes "a *responsibility* for the implications of its findings for society and mankind (my italics—S. H.)." The individual scholar deserves protection in the pursuit of truth because of our commitment to academic freedom. As we have seen, academic freedom entails the right to inquire into the social implications of scholarly findings regardless of whether or not the scholarly community accepts responsibility for them. And what does it mean to say that the scholarly community must recognize "its responsibility for the implications of findings" any more than for the findings themselves? Human beings are not responsible for implications. Implications are present or absent, are logically valid or invalid. Human beings can be responsible only for *policies* and *decisions*. To take responsibility for policies and decisions affecting "society and mankind" is to take political action. It seems to me both false and dangerous doctrine to hold that the scholarly community or the university must take responsibility for political policy, other than the responsibility its members as citizens share with their fellow citizens.

Fourth, I previously referred to one apparent exception to my view that the university as a corporate entity must not take sides

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in the clash of social goals, that although it extends its umbrella of protective neutrality to its scholar-teachers to investigate any problem within their ken or competence, or for their enlistment as citizens in any campaign or crusade, it should not as such become embattled in any cause. The exception is the defense of academic freedom. For this is integral to the *raison d'être* of the university and the calling of the scholar. To be sure, the common concerns of members of the university, as of members of all professional associations, can require collective action that is outside the purview of the individual citizen and the individual scholar. But to call corporate decisions on these matters "political" is to broaden the meaning of the term "political" to embrace everything that may remotely affect man, and therewith to empty the word "political" of any specific content. To argue in this connection that the refusal of a university or professional association to take a position on a political issue is in virtue of that very refusal taking a political position is completely without merit, for it in effect asserts that the distinction between the scholar and the citizen is a political distinction. Obviously, under certain circumstances the refusal *of citizens* to act on a political issue, if it has determinate consequences that may have otherwise been avoided, might be characterized as a political action. But the responsibility of the citizen is not necessarily the responsibility of the scholar. After all, were the university or a professional association to refuse to take a stand on a religious dogma, would any person seriously contend that therewith the university or professional association was making a religious decision and conclude that therefore religious neutrality was impossible? The logic of this argument would suggest that the university or professional association, by refusing to take a position on everything under the sun, actually takes a position on everything under the sun[5]—which is absurd.

Finally, there is one constraint under which scholarship as well as sport, the university as well as the church, must operate—and that is the criminal law. This constraint is not relevant to the issue we are discussing, for there is no greater responsibility upon the scholar to be law-abiding than upon the sportsman or any other vocational group, whereas we are considering the alleged *special* obligation of the scholar to serve the cause of mankind. Further, the constraints of the criminal law are negative, designed to prevent or punish certain actions, not to encourage the "moral or social passion" to further progressive thought. No one, therefore, with a sense of proportion can claim that because the scholar is forbidden to kill or torture or steal in order to conduct his scholarly inquiry, he does

[5] This seems to be the position of Richard Ohmann, "The MLA and the Politics and Inadvertence," *PMLA*, September 1968, pp. 988ff.

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not enjoy academic freedom; or that because such actions as experimenting on human beings against their will are proscribed, therefore the expression of certain ideas in the academy should be proscribed and others encouraged. It is as if someone were to argue that religious freedom did not exist because we do not permit human sacrifice; that such proscriptions proved that there could be no such thing as neutrality, by university or state, in religion; and that therefore the university or state or professional association can never avoid taking an official stand on religion.

Truth and free enterprise

In times of acute crisis we run the risk of disregarding the distinction between citizen and scholar because a man can be both (and many other things besides). As a citizen, he may become embattled on all public issues affecting his society to a point where he may permit his body to be conscripted. As a scholar in pursuit of knowledge, he cannot permit his mind to be conscripted. He has an obligation to the integrity of his craft, profession, and scholarly community—an obligation that is far from uninterested. This is not an attitude of passivity, but of intense intellectual activity, which at its highest Spinoza calls *Amor Dei Intellectualis*, whose visions of excellence are among the glories of the human spirit and whose fruits—in virtue of the very indirection of its practical goals—have lightened the burden of human suffering and ennobled the human mind. It is this dedication to disinterested knowledge that the partisans of social "commitment" under the slogan of "relevance" scorn as "the traditional wisdom" and dismiss as "not adequate to our time."

What do they put in its stead? An ambiguous and dangerous view, which calls upon the university and/or professional associations as corporate bodies to make scholarship serve the aims of the party of humanity, or peace, or progress—with which they, of course, identify themselves. This is done with a reckless disregard of the dangers to the autonomy, independence, and critical detachment of the scholarly spirit, and sometimes with a crusading zeal that not only threatens intellectual tolerance, but makes a virtue of intolerance. We are not here dealing with a monolithic movement to be sure. But we are dealing with tendencies that shade into one another in the direction of growing extremism.

Consider, for example, the implications of the questions asked by Professor Schorske at the MLA meeting last year: "Has the right to pursue the truth wherever it leads a more absolute justification than the right to pursue free enterprise wherever it leads?" I do not know how one justification can be more absolute than another. But I do know that one right can have greater justification than another, that

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the right to pursue the truth wherever it leads is far and away of greater significance than the right to pursue free enterprise, that to regard them as comparable is as absurd as to assert that a man has no more right to think as he pleases than to hunt or shoot as he pleases. The right to pursue the truth has a *prima facie* validity because of its inherent qualities of delight and dignity as well as its beneficial consequences, whereas the right to free enterprise is narrowly limited by its consequences. The consequences of free enterprise may be—and sometimes have been—child labor, unemployment, hunger, and war. Can any reasonable mind lay such things at the door of truth? To retort that the pursuit of scientific truth leads to war is a vulgar error, for war is a *political* action or decision taken by citizens and their leaders. It is not implicit in the hypothetical imperatives of knowledge.

To suggest that because free enterprise must be subjected to necessary limitations, therefore free inquiry must be subject to limitations is not only false, but mischievously false. For it is an invitation to intellectual control and repression. Shall we pass Truth in Opinion Acts comparable to the Pure Food and Drug Laws that curb rapacious profiteers? Shall we establish a task force to curb not only dangerous weapons, but dangerous ideas? Historically, all such attempts have been based on fear—fear of the truth, fear that our inherited first principles may turn out to be prejudices, fear that our hopes of entering the Kingdom of Heaven may wither before the chill winds of scientific fact, fear that our utopian ideals for the Kingdom on Earth may not withstand the acids of analysis. But instead of censoring the truth to protect our ideals, is it not more intelligent, more courageous, more dignified—in the long run, even more productive of human happiness—to revise our ideals in the light of truth?

The view that the dangers incident to the pursuit of truth justify some control, can paralyze the nerve of intelligent adventure. It can do worse. It can undermine scientific integrity. Just last year at a convocation called by the Polytechnic Institute of Brooklyn, to consider "What Man Can Be?" the presentation of a paper by an invited Nobel Prize winner on "Human Quality Problems and Research Taboos," which *seemed* to challenge some biological assumptions concerning the equality of inherent racial capacities, frightened the faculty into cancellation of the convocation. As disgraceful as this action was, the rationalizations offered for it were even more disgraceful because they were disingenuous. Make human welfare or national security or the health of "the revolution" the criterion of permissible truth, and then the gates are opened once more to the "Aryanization of physics" and the "Bolshevization of biology"—to say nothing of comparable phenomena in the less rigorous fields of the humanities and social studies. Already, throughout the coun-

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try there is a tendency to judge scholars, award posts, distribute prizes and preferments, not exclusively on the basis of professional criteria, but on the basis of political criteria.

I know that Professor Schorske is must too civilized to countenance such practices, and he explicitly disavows a desire "to subordinate scholarship to political criteria." The question is, however, whether once the primary allegiance of the scholarly community is declared to be not to the truth but to humanity—to the citizen's highest virtue, rather than the scholar's—can political criteria be excluded? Can we rely on Professor Schorske's good intentions to check the excesses of those influenced by his unfortunate analogies? For example, he believes that, just as there are threats to the human body from our polluted atmosphere, so there are threats to the human spirit from our polluted culture, and that it is the community of scholars who must do something about it. He therefore proposes to the MLA: "Not every scholar will engage in that task, but could not your community of scholars explore and report to the public on the problems of our polluted culture—including its flowers of evil?"

Why, pray, must literary scholars as a body report on our flowers of evil? Do we need another—more scholarly—Legion of Decency? To differentiate between flowers and weeds is difficult enough. Why a pronouncement on good flowers and evil ones? Suppose the literary horticulturists of evil are found in your own ranks. Once your identify the contemporary Baudelaires and others who are polluting our culture—will the next step be to propose the establishment of a cultural sanitation squad? Professor Schorske's fearfulness that the republic of learning may be invaded and swallowed by politics is commendable. It should lead him to forswear analogies between the free market in commodities and that of ideas, between disease germs in the atmosphere and those of the mind.

The right to understand

A much less guarded and more forthright approach in drawing the implications of this novel-sounding, great-souled approach to "the social responsibility of scholarship" is found in an eloquent article by Richard Lichtman, a former Fellow of the Center for the Study of Democratic Institutions and now a faculty activist in "reconstructing" the University of California after its recent earthquakes.[6] For him, neutrality is hypocrisy. The university as a corporate body must exercise its moral sovereignty over the uses and abuses of knowledge. He is emphatic that the very "distinction

[6] Richard Lichtman, "The University: Mask for Privilege?" *The Center Journal*, Vol. 1, No. 2, January 1968.

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[*mark the term!*—S.H.] between pure and applied research is disappearing" and that the most esoteric knowledge may turn out to be hazardous to man. He thereupon concludes that it is not the citizens and their representatives who must take the responsibility for the applications of knowledge. The community of scholars as a group must check the scope, the possible use and abuse, of the findings of its members. Scholars and scientists cannot permit free enterprise in the life of mind. They must take responsibility for its directed growth.

What about the threat of academic freedom in this ominous proposal? Professor Lichtman replies:

> It is too late now to fall back on the platitudes of academic freedom: no biochemist can be sure that in pursuing the structure of an enzyme he is not perfecting a lethal form of warfare. This government will have to be disarmed before the clear and present danger now subverting thought can be dissolved. *Until men of knowledge act to change the world, they cannot claim the unrestricted right to understand it* [my italics].

One hardly knows where to begin in analyzing these sentences. They move from a premise of hysterical exaggeration to a conclusion that is both intolerant and irresponsible. It is not the case that *every* theoretical insight or discovery has practical consequences. It may or may not have. And if it has practical consequences, these may be for good as well as for evil. The enzyme may be used to perfect a cure for cancer, and not simply to perfect a lethal form of warfare. Shall we therefore ban or hold up research in enzymes until we forever abolish war from the world?

It is apparently necessary to insist and to repeat endlessly: The responsibility for the use or application of truth is not the scholar's but the citizen's. To hold the scholar responsible for the practical uses of knowledge he has discovered is viciously absurd. It is to hold the unknown genius who discovered fire responsible for arson; to blame Gutenberg for the lies that appear in type; Galileo for siege guns; Einstein for Hiroshima. Finally, to claim that "until men of knowledge act to change the world [*in the right direction, of course!* —S.H.], they cannot claim the unrestricted right to understand it" is not to dismiss academic freedom as a platitude but to move to destroy it root and branch. For the right to understand the world *unrestricted* by religious, philosophical, political, social, or racial dogmas of any kind is what academic freedom is all about. To deny the scholar the unrestricted right to understand the world until he passes tests of good citizenship or virtue is to reinstate in progressive form a system of intellectual terror, to bring once more the priest or the commissar or the tribune of the people—depending on where one finds salvation—into the house of intellect.

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Those who share this view have actually declared war against the university as a community of scholars in the name of the party of humanity. For that is the upshot of the insistent demand that, over and above the active commitment scholars make to political causes in their role as private citizens, the university as a corporate entity must espouse positions on the issues of the day. This can only embroil scholars within the academy as they are embroiled without, and transform university assemblies into political bodies. If the university is expected to declare itself on basic issues, what will be the position of those who are outvoted, who see the road to serfdom in proposals their colleagues proclaim as the highway to liberty, who cry counterrevolution where others cry revolution, who prophesy 1984 where others welcome a planned and planning society? "A university that will not speak for man," Lichtman solemnly intones, "has ceased to be a human enterprise." I find this assertion—and not the principle of academic freedom—a pious truism, for it excludes nothing that a free university does or says. But the difficulty is that everyone who speaks professes to speak for man. All parties claim to be the party of humanity, with different views and voices about what is good for man, but with equal sincerity. *And although they cannot all be right, they can all be wrong.* Which is why it seems to me that the university speaks for man when it permits its qualified members to choose their own themes for research: that the university speaks no less for man when it gives a home to those who suspend judgment or who refuse to speak or who refuse to speak like Lichtman.

The Cabinet of Dr. Marcuse

To those unfamiliar with the growing literature of this philosophy of social commitment, my analysis may appear alarmist and dialectically overstrained—all the more so as the writers from whom I have quoted seem to draw back from the rather extreme conclusions to which their principles, if applied, might lead. For they know they are moving on a path toward a precipice even as they proclaim that there is no danger.

I conclude, therefore, with a brief analysis of the point of view of a writer who *has* the courage of his convictions, who starts from the same premises and is prepared to go to the end of the path without flinching. I refer to Dr. Herbert Marcuse. Marcuse also belongs to "the party of humanity." He is committed to "a human society" in which men live in loving tolerance of each other, free of fear and misery. Western capitalism, he tells us, has created an affluent society and the gadgetries of happiness; but he is not impressed by its rising standards of living and culture. He sees the spiritual nakedness of the masses under their fine clothes, and their

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empty minds gaping under the tinsel of popular culture. This explains why the powers-that-be extend a tolerance to all, both "to the party of hate as well as to that of humanity"—for the masses, conditioned by the class education they receive, cannot identify the flowers of evil in our polluted culture. The modern lords of the manor, in virtue of their control of press, courts, school, and other media, can safely permit the freedoms of the Bill of Rights to flourish because they are not likely to be endangered by them. This is a false tolerance because "truth is the end of liberty and liberty must be defined and confined by truth . . . the telos of tolerance is truth." The truth Marcuse is talking about is not of course, the truth of science. Science uses the methods of toleration or due process to reach the truth. Marcuse believes that one must already know the truth antecedently to permitting toleration. The truth Marcuse antecedently knows is that the ideal society, the completely human society, is one in which there is no repression of human desire and no oppression of man by man. It is a society nowhere in existence today, but one whose outlines our reason can grasp as well as the general direction in which we must move toward it. Tolerance of thought and expression is acceptable in order to help us find our way toward the goal of universal human liberation. But

> this tolerance cannot be indiscriminate and equal with respect to the contents of expression, neither in word nor in deed, it cannot protect false words and wrong deeds which demonstrate that they contradict and counteract the possibilities of liberation.

Let us pause for a moment to see just what Marcuse is saying. Not merely that some forms of behavior are intolerable; no sane man can tolerate any and every kind of behavior. Not merely that certain words integral to criminal behavior, that trigger it, are objectionable; no reasonable man will disagree. Dr. Marcuse goes far beyond these reasonable limits. He believes that, in the interests of tolerance, we must proscribe the expression of false or untrue ideas about what is good for man and society. Error is the enemy, long before its fruits in conducts are manifest.

Dr. Marcuse is aware that this sounds grim to liberal ears. And, perhaps as a concession, he indicates that he would exempt what he calls "the sphere of privacy" from his watchful censorship. He should be given credit for this uncharacteristic liberal lapse—probably the effect of exposure to American life. But it is at the cost of a gross and obvious inconsistency! For he is emphatic in his view that it is the whole that determines the truth—"the structure and function [of the whole] determines every particular condition and relation"—which explains why the dialectical eye of Reason and Virtue, uniquely possessed by Dr. Marcuse and his followers, must search out all spheres of thought and action for error. But if only

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the whole is true, and if truth lies in the whole, then we cannot, alas, exempt the sphere of privacy. What is said in private life, as every tyrant knows, spreads to public life. If the state or party or cause is denounced in the bosom of the family, it will be denounced in the playground, the schoolroom, the barracks room. No, this disjunction between the private and public is no more tenable on Marcuse's view than that between the scholar and the citizen, school and society.

Dr. Marcuse quickly recovers from his liberal lapse. Admitting that, within existing democracy, tolerance is widespread for Right and Left, for Communist and Fascist, for black and white, for Marcuse and his critics—he then denounces it as false *because* it is impartial. Until men become truly human, impartiality and neutrality in the presentation of all sides can result only in the triumph of the worse over the better. For men are as children; they are not truly human yet, they cannot see with the eyes and understand with the mind of the future. Consequently, objective Reason and Virtue (i.e., Dr. Marcuse's opinions) must be given an edge so that they can overcome the plausibility and temptations of what is not-reasonable and not-virtuous. The best way of overcoming these temptations, especially in an affluent society, is to silence them by "apparently undemocratic means"—"apparently" because the future goal is democracy, and therefore what seems undemocratic isn't really so.

What are these means, concretely speaking? Marcuse spells them out clearly enough for even the brainwashed majority to understand:

> They would include the withdrawal of toleration of speech and assembly from groups and movements which promote aggressive policies, armaments, chauvinism, discrimination on grounds of race and religion, or which oppose the extension of public services, social security or medical care, etc.

This "etc." is a little disquieting, especially because Marcuse is not a man of half-measures. He continues:

> Moreover, the restoration of freedom of thought may necessitate new and rigid restrictions on teaching and practices in the educational institutions which, by their very methods and concepts, serve to enclose the mind within the established universe of discourse and behavior—thereby precluding a priori a rational evaluation of the alternatives.

One would have imagined that a rational evaluation of alternatives proceeds by inviting alternatives to make themselves heard, rather than by rigidly restricting them; but this presupposes belief in academic freedom, which for Marcuse is not even a platitude, but a bourgeois illusion. Reading Marcuse is like listening to a vehement denunciation of totalitarianism on the grounds that it is the wrong kind of totalitarianism, the right kind being the one that declares

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itself democratic, *for* the party of humanity. If only the party of humanity loved men, including scholars, a little more, and humanity a little less!

Naturally Marcuse hesitates to do in the name of Marcuse what he cheerfully does in the name of reason. To escape the appearance of imposing his personal and arbitrary views of what the future Society of the Right and Virtuous, with all its trappings of polymorphous sexuality, must be, he must defend the objectivity of the liberating ideal in behalf of which he advocates systematic intolerance. If one asks him who is qualified to make these decisions for society as a whole, he answers, "Everyone." Everyone? This sounds as if he were moving toward a democratic consensus. But no! It is everyone "in the maturity of his faculties as a human being—everyone who has learned to think rationally and autonomously." But he has just argued that everyone *cannot* be mature or think rationally or autonomously until the world is completely transformed and human beings completely liberated. By his own assumptions, Marcuse cannot now regard everyone as fit or sufficiently mature to make rational decisions. We are back where we began: he has redefined autonomy and rationality so that only *his* opinions become the criterion of objectivity. If one differs with him one differs with the party of humanity, and with the real truth—and one does so at one's peril.

Old news can be bad news

Until now I have referred to this philosophy of social commitment as novel-sounding. It should, however, be obvious that it is novel in form alone. The logic of its position is identical with that of those Christian divines who, convinced that the proper end of learning was piety, censored science, art, and literature, in the light of the revelations vouchsafed them. There are obvious differences, of course. The felicities of the future life for the first had its locus in the Kingdom of Heaven, whereas Marcuse hopes for them on earth. There are also differences in the nature of the anticipated felicities. But for both, once the ideal is imperilled by heretical and retrogressive notions, it must be safeguarded by repression in the ultimate interests of the victim as well as in the interests of the unchallengeable truth.

Nor is the logic radically different from that invoked by the cultural Babbitts of the American past who also believed that scholarship must be kept in leading strings to good citizenship, that institutions subsidized by the public purse or private largesse must not be permitted to undermine the reigning orthodoxies. It has required a difficult struggle to get public recognition of the principle of the unrestricted right of qualified inquirers to understand the world.

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That principle is now under attack by those who are imbued with an overwhelming sense of virtue, who under the banners of humanity want the temple of learning to become a fortress from which they can sally forth to transform society with impunity. In the unlikely event that they succeed, the temple will become a fortress in which scholars who wish to serve humanity by seeking the truth, rather than seek the truth by serving humanity, will be driven out. In the more likely event that they fail, the temple may be razed to the ground by the angry reaction of a society provoked by the usurpation of power by a self-selected elite.

The obvious rejoinder to all this is that the American university is not a temple of learning, not even a community of scholars in pursuit of the truth, but—the litany of charges is familiar—only a bulwark of the established order, a public service station for industry, government, and assorted private groups, committed to imperialism abroad and reaction at home. The rejoinder is largely false, and to the extent it is true reversible in the light of the ideals of the university and scholarship here defended. It is false in that the American university today is more of a center of dissent from, than of support for, government policy; false in that it has been, without any *Gleichschaltung*, a great laboratory of ideas for new social policies; false in that it has accepted no party line to guide its research; false in that the very presence in the university of those who utter these irresponsible statements is incompatible with the burden of the charge. And where the proliferation of services by the modern university does threaten to take it far afield from its central task of scholarship, research, and teaching, it is a tendency that should be resisted. Simply to substitute other dogmas and other pressures is to intensify the trend toward the politicalization of scholarship. Of course, we cannot and should not escape the world of politics. But why is it so hard for learned men to see that, in a rational and humane society, there must be some activities and institutions that are beyond politics? And that our politics will be the better for it?

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On task forcing

NATHAN GLAZER

THE presidential-transition task force has had a short history of only eight years. We have it on the authority of a very high figure in the present administration that the Eisenhower administration, when it came into office, did not avail itself of this rather flexible and informal tool to help shape its program; as a result—this high figure recently reported to the assembled members of the Nixon task forces—the administration was a little slow getting off the ground. The new form owes its origin to John F. Kennedy. President Johnson organized task forces for his new administration, even before his election in 1964. President Nixon commissioned Paul McCracken to begin thinking of task forces before his election, and they were organized immediately after his election.

Short as this history has been, the task force has already gone through a number of changes, reflecting the varying positions of Presidents Kennedy, Johnson, and Nixon at the time the task forces were organized. John F. Kennedy could draw upon the intellectual resources of Harvard and M.I.T., through such men as Arthur Schlesinger, Jr., John Kenneth Galbraith, and Jerome Wiesner. But he had no access to the administration of Dwight Eisenhower. President Johnson, beginning his term as a president elected in his own right, could draw upon the resources of the government to assist his task forces. President-elect Nixon's task forces could not draw directly on the resources of the federal government—but funds had been appropriated for the presidential

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succession and the task forces themselves drew on many men who had served on earlier task forces.

The task force thus begins its existence as a representative of a special breed, academics and intellectuals with connections to government, who are by that token perhaps not fully academic or intellectual, as we conceive them in this country, for they are men who are aware of the practical constraints of government.

The presidential task force tends not to select high civil servants who know most about the workings of government and the specific programs to which the task force must address itself. Its civil servants are those who have already left government or who alternate between government and the universities, the research institutions, and the foundations. Nor does it draw heavily from congressmen and their assistants, who are again too often heavily constrained by practicality. But on the other hand, it does not move over into the directions of selecting men with the widest imagination and the greatest freedom, men who are totally indifferent to the constraints of the political structure and of the varieties of public opinion. The model developed by Marcus Raskin in the late 1950's, when he brought New York intellectuals with no contact with government to Washington to talk to practicing politicians, is *not* the task force model, as this has been developed by the men around John F. Kennedy and maintained now through his two successors.

Thus, one aspect of continuity in the three task force enterprises has been the selection of the right balance between imagination/insight and political limits/practicality—and the men who seem best to represent this balance are principally men in the universities who have had some experience of and involvement in government.

Other continuities

A second principle of continuity in the three task force undertakings is that the task force does its own work. It is not surrounded by assistants, staff, and specialists ready to answer questions or do research. The task force, for one thing, has to operate fast—between the time a man thinks he will be president and the time he must begin to prepare his programs for the Congress. For another, the task force is lightly funded. It does not, like a commission, operate with staffs of secretaries and research assistants, or plan to produce lengthy and well-documented reports, which may take a year or more to prepare. It is true that the Johnson task forces, as against the Kennedy and Nixon task forces, were able to use the resources of the government, and assigned to each task force was a high civil servant who could prepare materials and answer questions. But even so, this was quite different from the operations of a commission. In this way the task force indeed resembles a naval task

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force cut off from the massive support and restrictions of its home bases and its regular chains of command.

A third element of continuity in the three task force enterprises is to be found in the specific individuals who make them up, who seem to come from a common stock out of which a selection is drawn to offer advice for each administration, Republican or Democratic. Thus, the urban task force that met for President Johnson included a number of persons who had served four years before on the urban task force of Candidate and President-elect Kennedy; the urban task force that met recently for President-elect Nixon included a number of persons who had been members of the Johnson task force—and there were some who remembered back eight years to the Kennedy task force. Richard Goodwin, who played a role in the Kennedy task forces, put together the Johnson task forces—and, astonishingly enough, showed up as a member of one of the Nixon task forces. (That may represent accident more than continuity—but there is evidence enough of continuity.)

The odd thing is that, without literature, without "guidelines," certainly without legislation, and without I suspect any lengthy discussion around the presidential candidates as to how to organize and operate these fleeting government forms, the presidential task force early defined itself and has now maintained itself through three rather different presidential transitions. The similarities in the three sets of task forces are more intriguing than the differences and tell us something about the nature of American government, its lacks and its needs.

The problematics

First, they reflect the fact that the President does not expect to get what he needs in the way of thinking about new and old problems, new and old programs, either from the established civil service —despite the wealth of ability and experience that it contains— nor from his new appointments, many of which must reflect political exigencies. In any case, he wants to draw on a group outside of government, many with only limited knowledge of government, who are nevertheless called on to suggest what is going wrong and what needs to be done.

Second, they reflect the fact that there is no institution he can call on that will give him what he needs (1) fast enough, (2) cheaply enough, (3) reflecting a broad enough range of views and interests, and (4) expecting nothing in return in the way of publicity or even consideration. What the President wants can be read off from these requirements—he needs something very fast; he does not have enormous resources to throw into the task; he wants to reach out as far as possible for new ideas and new approaches;

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but at the same time, he does not want to be limited in any way by these proposals. He does not want publicity for the existence of the task forces, for their proposals, or for what he does about it, and he doesn't want to suffer even the minor liabilities of having to justify odd and unpopular proposals they make or to explain to anyone why he has not taken up individual proposals. The task force, a shifting group with fleeting existence and no corporate presence is ideal—no one stays behind to fight for anything; it is pure input and no liability. One change indeed over the period of the three task forces is that eventually they have become news—the press gets copies of the reports, and in the third round of task forces the proposals were fairly fully reported. But inasmuch as they are not official documents, the administration need not acknowledge them nor answer questions about them.

The operations of the task force reflect this ad hoc and even irresponsible existence. The members are called on the telephone and asked if they will serve. There are no letters of appointment. The group gathers together, no fewer than ten, nor more than twenty-five, perhaps in a government office (for the Johnson task forces), more likely in a university or foundation meeting room, and almost everyone is known to everyone else—at least by name. Some remember the last task force, and speak wryly of its proposals—the wryness is generally made up in equal proportions of the reflections (1) they weren't very good suggestions after all, were they? or (2) not much was done about what we proposed, was it? The fact that the suggestions of the previous task force are certain not to appear very insightful after four years modifies any sense of umbrage at the fact that the suggestions were not taken seriously enough.

Immediately the old timers instruct—not directly, but by the questions they raise—the newcomers into the key problematics of task-forcing:

1. Was any money mentioned? Do we know how much we have to spend? What is the point of making suggestions in a universe of no limits—*they* must know how much they're willing to put into natural resources maintenance, or education, or urban problems, etc.

2. Who's going to read the report? Do you think it will get to the Secretary? Who called the Chairman to organize the task force? How seriously is it going to be taken?

3. What line should we take in writing and presenting the report? Are we to be long on general philosophy—the approach that should guide government action in our area—or do we cut that and concentrate on specifics? If we do the first, the Secretary will be bored. But if we do the second, he won't understand the thinking behind our proposals, and he won't get their import.

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4. As a corrollary—how long is our report to be? Do we just give it to him one, two, three—or do we insert justification, argument, and elaboration? Similar arguments to above.

5. What time perspective do we operate in? Is all this for the upcoming legislative year—or are we looking ahead to four years —or beyond? And so on, and so on.

Obviously there is never a good answer to such questions. But perhaps William Gorham's comment at a recent task force meeting is the best answer to most of them: You think, he told the task force arguing about fine points in its presentation, that you are making a man—but you're not making a man. The secretary or whoever this goes will pick a piece here and a piece there, because this looks good and that looks possible. The proposals that eventually get sent up to the President or to the Congress will look nothing like the rounded harmonious product you think you are putting together.

So humbled, the task force returned to work.

The laundry list

But what is the task force's work? The task force collects notions —good, bad, and indifferent—from its members. Some are frightfully expensive, and some are cheap. Some have been around for a long time and never tried—they may have been in the reports of the task forces four years back, and even eight years back—and some are being tried on a small scale, and some are being tried somewhere in the recesses of government and the task force doesn't even know about it (but that's not too likely). And the ideas come from everywhere—hopefully, even though almost all the people on the task force are known to one another, there is sufficiently wide representation that most good ideas around are known to it somehow. The task force is like a huge broom—it picks up all the ideas that are around, does some brief and crude initial evaluation, and puts it down in its report. (This despite the fact that someone at a task force always says: now we don't want a laundry list, we want a coherent and consistent program. But it's a big country, with big problems. In the end, you get a laundry list.)

It is a quick and dirty process. But as a result, it also means that there are a lot of half-evaluated or hardly evaluated ideas that look good to somebody, that are proposed and put into the report. Everyone prays that in the recesses of our enormous government there are full-time experts who are able in some preliminary way to cost out and consider at greater length the ideas. But one is not too sure, because after all *this* group was put together to supplement the resources of full-time government. And everyone working on a task force is well aware how preliminary and tentative most

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of its suggestions really are—they are good ideas (or maybe not even so good), nothing more.

Presumably there will be task forces in 1972, too. What they will reflect is that the problems of the country are so massive, continuous, and interrelated that they cannot possibly be left to government officials, elected and appointed, alone. In various ways—and task forces are only one, alongside commissions, advisory councils, etc.—all the intelligence and experience of the country must be tapped. But once engaged in the tapping process, one is inevitably struck by how perilous and fragile the whole enterprise of government is, how limited our knowledge is. I have one suggestion for the future. It is not that the task force should be replaced by a permanent body of researchers and advisers in each area—that would only provide one kind of input, whereas the flexibility of the task force, its brief life, its irresponsibility, means that a wider and livelier range of alternatives will be presented. But the task force should have better access to permanent bodies of researchers and advisers, who should be continually reviewing and assessing government programs, and the major problem areas to which they address themselves. The task force would not feel quite so at sea if there sat, along with it, some high civil servants, and even more, some researchers with a long-range commitment to the analysis of government programs in the area.

I seem to have come up with yet another suggestion that is raised at every task force; and in view of the heavy university representation, is always received with the fullest enthusiasm—more research! But the point here is not more research in general—more grants and contracts with universities, research institutes, and the like. The point is more long-range, sustained, committed *research on government programs in a given area—and specifically on their effects*—by a body of researchers committed to that task. For whatever the size and waste in present research budgets, the fact is that there is perilously little of this kind of research—and the task force of experts thus meets to make its proposals in the same near-vacuum that operates around the President and his advisers, the Bureau of the Budget, the departments, and the Congress. Obviously it is more fun for professors to maintain some distance from government and its works, to indulge in general criticism, and to undertake the research that responds most closely to their intellectual interests or advances them most rapidly in their own disciplines. But the truly valuable policy research of the future, I am convinced, must be undertaken in agencies with a long-range commitment to some problem area, and with a close relation to government. We have the beginnings of such an institution in the Urban Institute. We will need a dozen more before task forces will be more than an ad hoc collection of ideas whose merits we are in no position to evaluate.

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The potential of "trickle down"

ALAN ALTSHULER

MEN OF the left have been appropriating principles of the right (or what used to be considered such) on a wholesale basis in recent years. That is to say, men devoted to egalitarian ends have come increasingly to appreciate the "conservative" critique of government—at least of government by direct control, as opposed to government by the structuring of market incentives and cash transfers—as an instrument of social policy. The classic recent case, of course, is the negative income tax (NIT). Milton Friedman proposed it as a way of reducing the paternalistic, coercive work-disincentive, and dollar-cost aspects of public assistance. Liberals bought the concept and the first three criteria with alacrity, but they immediately set about conceiving NIT formulas that would radically increase the cost and sharpen the redistributive impact.

These developments, I would argue, are to the good, both politically and administratively. Politically, they extend the range of national consensus. It is particularly well that we should do so now with respect to means, in view of the growing national dissensus on ends. Administratively, I consider the "rediscovery" of bureaucratic self-seeking, arrogance, and hostility to innovation, together with that of the potential for radical or reformist use of the market mechanism, a simple indicator that not all those dissatisfied with the present are indifferent to the lessons of the past.

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In this essay I wish to indicate how the learning process may be carried a step further. The basic "principle of the right," whose potential for egalitarian use I wish to explore, is "trickle down." A "trickle down" policy, of course, is one that concentrates its direct benefits on relatively affluent groups, counting on second-, third-, and fourth-order effects to help the less fortunate.

The very phrase "trickle down" is loaded. The conditioned reflex of American liberals is to recoil from it. And with some reason. Historically, it is identified with the Hoover antidepression strategy of providing credit (mainly through the Reconstruction Finance Corporation) to the nation's banks and industries, while refusing to consider direct income-maintenance and job-creation programs for the unemployed. It conjures up, in addition, an image like that of "Engine" Charlie Wilson testifying that "what is good for General Motors is good for the country." Logically, it seems inconsistent with the egalitarian's aim of improving the lot of the poor—relatively as well as absolutely—to focus public aid on the nonpoor. Empirically, "trickle down" benefits tend to be less quick and certain than those conferred directly. Psychologically, many men of the left harbor active feelings of hostility toward the affluent (and are prone to forget that most of the nonpoor are by no means affluent). Even those free of animus, moreover, tend to be little stirred by programs that promise to make every broad class of Americans a bit better off without altering the distribution of wealth or income.

Why, then, do I contend that those who give top priority to the alleviation of poverty should take a fresh look at "trickle down"? The reasons are simple. In the United States today, and for the foreseeable future, a high proportion of government benefits are going to be directed to the nonpoor in any event. And, if "trickle down" benefits are in general less quick and certain than these aimed directly at the poor, they are also much easier to sustain politically. Thus, they are likely to be more ample.

"Trickle down" clarified

The essence of democracy is coalition-building. It is vital for those who would govern the nation to come up with a legislative program that appears responsive to the aspirations of all Americans, not just to several disadvantaged segments or classes. Politicians with a taste for victory may recognize this, of course, and still wish to direct as many benefits as possible to the poor. One of the main potential ways for them to do so is to search out programs that (1) will persuade the middle and upper classes that their needs are being addressed, and (2) will have particularly great and certain "trickle down" effects.

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Let it be clear what I am and am not saying. First, I am *not* saying that direct programs of aid to the poor should be deemphasized. I have no fear that Congress will ever appropriate greater sums for such programs than I and other liberal intellectuals would wish. Second, I am *not* endorsing the traditional—which is to say, casual—approach to "trickle down." I have slight sympathy for politicians who cater to the rich and powerful without thought of the poor, and then wrap their policies in fancy phrases about the benefits "ultimately" accruing to everyone. What I *am* saying is that a great deal of public activity must necessarily be responsive to the demands of the nonpoor. Given this fact, the serious policy-planner with an egalitarian bent will strive systematically to consider (1) in how many alternative ways the nonpoor might be kept adequately content, and (2) the relative "trickle down" consequences of each of these alternatives.

In a rough and ready way, this sort of analysis is already quite common—just as consideration of alternatives was quite common before the formal theory of systems analysis developed. Politicians do take cognizance of their coalitional needs; their advisers and critics do point out the particular importance to the poor of certain aggregate goals (e.g., employment, economic growth, housing) being achieved. What has been lacking is a formal statement of the case for explicitly and systematically canvassing the "trickle down" consequences of programs and proposals that are aimed at the nonpoor. In the absence of articulate theorizing about the importance of such analysis, it is bound to be neglected in the vast majority of policy-planning situations. The immediate value of such a statement, then, may be to prod average practice in the direction of the best. Its longer run utility may be to stimulate the development of a body of knowledge, both theoretical and detailed, about the "trickle down" consequences of various types of public activity.

Prospects under Nixon

It is quite conceivable at the present time that a Nixon administration, though committed to focusing a high proportion of its attention on the middle class, might nevertheless consider the alleviation of poverty its genuine top domestic priority. Or, it might simply wish to satisfy as many groups as possible with each dollar it spends—i.e., to exert maximum leverage with the limited resources available to it. (This latter motive might lead it to pay as much attention to "trickle up" as "trickle down." That is to say, it suggests thinking hard about how to give the poor a sense that their needs are being addressed by means that also please many of the nonpoor, or at least which annoy them minimally.) As one reads

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the statements of its domestic members, one gets the sense that the Nixon administration is anything but indifferent to poverty, though it also gives high priority to demands of the nonpoor and is anxious to render its antipoverty activity as palatable as possible to them. This highly deliberate effort to balance the demands, aspirations, and prejudices of the poor with those of the nonpoor is illustrated by such as the following: (1) the decision to move more vigorously than the Johnson administration against outright hunger, (2) the announced determination to pursue price stability by means that involve minimal unemployment increases, (3) the reported interest of Secretary Finch in establishing a national minimum welfare standard midway between the current payments of New York and Mississippi, (4) the decision to let OEO survive and to praise it as an incubator of new programs, while removing the Head Start and Job Corps programs from its jurisdiction, (5) the combination of a very tough anticrime policy with a very generous policy in most other respects toward the black and Democratic majority of Washington, D.C.

In short, although the officials in question owe their incumbency to the white middle and upper classes, the precariousness of the current status quo does not seem wholly to have escaped them. As conservatives, men of wealth, and politicians oriented toward the next election, their instinct is to focus on consolidating the constituency that put them in office. As would-be statesmen, they recognize (at least the best of them do) a twin and more profound challenge: namely, to reduce the level of civil conflict; and to do so by means that increase, rather than reduce, the degree to which this is a just, compassionate, open society.

Policy options

Let us turn now to substance. What are some of the specific policy options that a sophisticated "trickle down" analysis would spotlight. As a first cut, I would suggest the following.

1. *Housing.* Although the "trickle down" potential of a high rate of building is well understood, it has been little exploited in recent years. The high rates of the late 1940's and the 1950's were made possible by innovative government policies designed to keep mortgage credit ample, interest rates and down-payment requirements low. In recent years, by contrast, the attention of the nation's money managers has shifted to protecting international confidence in the dollar. This has occurred, moreover, in a context of high over-all employment, particularly severe labor shortages in the building trades, steeply rising land and building costs, and overwhelming demand by other industries and institutions (not least,

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governments) for credit. The result: investment in housing has fallen off sharply. From 1955 through 1959, Americans invested 5.0 per cent of their disposable income in new homes. From 1966 through the first half of 1968, the rate was 2.0 per cent.

The orthodox view among bankers and economists is that government policy should not treat housing as a "merit good." All modes of expenditure should compete equally for available credit, even though this principle tends to make housing, along with state and local public works, the main victims of credit shortages. (The reason, of course, is that the rate of return on business loans is higher.) Policy-planners anxious to alleviate civil tension and poverty, however, have every reason to consider housing a "merit good." All opinion surveys show that the poor gave better housing very high priority on their list of desires. There is a great deal of evidence from around the world, moreover, that property ownership has a substantial calming influence on the potentially rebellious. And home ownership is the most important property stake that one can hope to enable the typical American to achieve in the current period.

Even within the context of an anti-inflationary economic strategy, a great deal might be done to expand the supply and/or reduce the cost of decent housing—*if* the objective were accorded sufficient priority. By way of illustration: An intensive effort might be made to restrict credit, cut back grants-in-aid, and reduce tax incentives for other forms of building, so as to release credit and skilled manpower for housing construction. A vigorous attack might be launched on the restrictive practices of the building trades unions (this would be actually conducive to price stability). The effort that has recently begun (finally!) to encourage the industrialization of home-building might be dramatically raised to first-rank national priority. Federal grant-in-aid inducements might be used to encourage the adoption of statewide building codes with comparable (i.e., from state to state) performance classifications, and to encourage code administrators to rely on national tests of new materials. Similarly, federal aid might be deployed to encourage state exercises of the zoning power to ensure that ample suburban building land is made available for homes that at least lower middle and middle class families can afford. The tax laws might be amended to render speculation in (and thus excessive capitalization of) slums and undeveloped land less attractive. Federal grant-in-aid and tax policies could be amended to increase the cost of demolishing existing housing (unless it were already vacant). And so on.

Needless to say, each important possibility would anger some powerful groups. That is why I stress the need for top level priority on the national agenda. It will doubtless take consistent close attention and vigorous opinion leadership by the President himself to

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produce significant progress on this front. But the benefits of such progress would be widespread and highly visible, whereas their dollar cost to the government would be low. If it became possible two or five years from now to relax credit stringency, moreover, the conditions would have been established for a "great leap forward" in the level of housing starts.

If this discussion has omitted consideration of programs intended to produce new housing directly for the poor, the reason is not that I am indifferent to such programs. Quite the contrary is in fact the case. But, as the subject here is "trickle down," it has seemed appropriate to focus on programs whose first-order beneficiaries are predominantly nonpoor.

2. *Police deployment and training.* The key objectives in this arena should be to reduce the level of violent crime on the one hand, and to do so by means that reduce (or at least do not increase) police-community tensions in low-income neighborhoods on the other.

In part this is a matter of enhancing the capacities of individual policemen—particularly their capacity to make intelligent judgments about the balance to be drawn in specific situations between the objectives of fighting crime and maintaining good community relations. Thus, money spent on training can be justified to the nonpoor in terms of improving police "efficiency," to the poor in terms of improving police "behavior."

More newsworthy (though not necessarily more profound) results might be achieved by efforts to improve police deployment. Policemen are almost always not quickly available when crimes occur. The reason is simple. Crimes are very rare phenomena, even in high crime districts, and the typical victim has no means of notifying the police during the course of the crime being committed upon him. Thus, the likelihood of the police happening upon a crime in progress is slight—which is particularly unfortunate, in that the likelihood of solving a crime in which the perpetrator is unknown to the victim becomes quite slim once the former has made his getaway. It is reduced even further by such common police practices as following fixed patrol schedules and having all patrol cars marked for high visibility. These practices are well suited to preventing crime in the vicinity of police personnel; but inasmuch as the police can only be in a small proportion of all locations at any time, this is cold comfort to the average citizen.

The typical burglar alarm system is also designed to divert criminals from the premises protected, rather than to keep them fearful in all circumstances.[1] From the standpoint of the public policy-

[1] Its presence is generally advertised ostentatiously on windows and doors

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maker, however, concerned to reduce the over-all crime rate, this strategy makes about as much sense as concentrating all one's resources on the well-advertised protection of fixed installations in a modern, mobile war.

Even with currently available technology, there is a good deal to be said for the public subsidization of silent, unadvertised alarm devices whose presence would become known to the criminal only as a result his apprehension. We are on the verge, moreover, of exciting new developments in this area—e.g., alarm devices small enough to fit in a pocket or purse, tied into computerized police dispatching systems capable of producing average response times (to emergency calls) of one to two minutes. To minimize the false alarm problem, these devices would doubtless have to be licensed and set to remain on, once they are activated, until turned off by a policeman.

If it were impossible to be sure who had such devices, but it were widely known that numerous merchants, cab drivers, nighttime commuters, regular watchers-out-of-tenement windows, and so on, had them, a great many would-be criminals might be deterred. The likelihood of these devices being developed (and brought down in price) quickly, allocated wisely, and tied systematically into over-all police operations is slight, in the absence of vigorous federal leadership. But the potential impact of federal leadership in this area is correspondingly great. Not only might a concentration on alarm and response-time technology deter crime and increase the number of criminals apprehended; it might also improve police-community relations by inducing the police to concentrate on catching criminals in the act, rather than harassing suspicious looking people (i.e., young people, poor people, black people) just standing around on the streets.

This is just one concept that a systematic analysis of police oper-

around the building, and it is set to be so easily triggered that false alarms are common. The latter is no problem for the protected parties, but a very serious one for the police. The President's Crime Commission reported that, in the District of Columbia during 1965, the police received 4,450 alarms, of which 98 per cent were false. Answering the false alarms occupied the equivalent of one patrol car throughout the year. What the Commission neglected to point out was that the typical patrol car fails to happen upon even one crime-in-progress during a year and that the alarms did produce 89 accurate calls. The Commission did note, however, that the false alarm rate could be greatly reduced if the police established minimum standards for alarm installations, conducting on-site inspections to ensure that the alarms were reliable and not subject to accidental triggering.

The Project Director of the Operations Research Task Force of the Chicago Police, moreover, has recently challenged the Commission's skepticism about burglar alarms. He notes that during the first eight months of 1968 the alarms installed by one reputable company (American District Telegraph) reported 1,475 attacks on protected premises, and that these reports resulted in 485 captures. He concludes that, for all their defects, properly installed alarms are extremely effective relative to other means of combating burglary. Communication to the Editor, *Technology Review* (February 1969), p. 74.

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ations might highlight. Available space does not permit exploring others here. But my purpose, in any event, has merely been to stimulate consideration of means by which the twin objectives of reducing violent crime and alleviating police-community tensions may simultaneously be served.

3. *Urban transportation.* The main opportunities here lie in the exploitation of emerging traffic control and transit technologies that promise reduced trip times for automobile *and* bus travelers alike. At the level of study and experimentation, the Departments of Transportation and Housing are already moving in these areas. A "trickle down" analysis would suggest according these developments top priority in the transportation field, at least insofar as the nation's older (more densely settled) and larger metropolitan areas are concerned. New money would not be required. The cities in which congestion is presently most severe would, by and large, be more than willing to divert resources due them from the existing highway program. Nor is the prospect of having the national law amended to permit this wholly bleak. We are still, after all, talking about investment in road transportation. The main possibilities are:

a. *Dial-a-bus.* Some of the same communications and dispatching technologies discussed above, in connection with crime control, promise to make door-to-door bus service, operating in response to phoned requests rather than fixed schedules, economical within the near future. Dial-a-bus would amount to high-quality, relatively low-cost pooled taxi service. Small transit vehicles would be constantly tracked by a central computer. As calls for service came in, the computer would make instantaneous decisions about the optimal vehicle to dispatch (given its current location and the destinations of the passengers already on board) in response to each. To balance demand throughout the day, different types of service might be offered at different hours. During the morning rush period in a satellite suburb, for example, only trips ending at rapid transit stations and local employment centers might be accepted. In off-peak hours, it would be possible to go from any origin to any destination within the service area.

This service, able to operate in fairly low density areas, could provide new mobility to those members of middle-class urban families who are too young or too old to drive. It would also be of substantial value to those licensed members of one-car families not normally able to command the car (e.g., housewives whose husbands drive to work). It should be kept in mind that only about a quarter of U.S. households have more than one car. Thus, a broad base of patronage and political support for this kind of transit service might be established. Those whose mobility would be most improved by it, of course, are the poor.

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b. *Street-use pricing.* Here the immediate need is for experimentation with various means that have been proposed for levying street-use tolls without impeding traffic flow (i.e., forcing vehicles to stop). The longer run need is to secure public understanding of the case for street-use pricing. The essence of this case is (1) that no feasible amount of highway investment can decongest peak hour traffic in and around urban core areas, and (2) that the public subsidization of each trip per person by automobile in such areas tends to be extremely great. In effect, street-use "fares" would constitute a surcharge on regular highway user-tax payments, levied selectively in accord with the extraordinary cost of providing service at particular times and places, and in view of the impossibility of providing good service to anyone at such times and places, in the absence of restrictions upon demand.

Who would benefit? Those sufficiently affluent to continue driving would secure congestion-free travel. Those currently dependent on buses would secure greatly reduced travel times and perhaps more frequent service—because demand for bus service would increase. (It would make sense, parenthetically, to exempt transit vehicles, and thus their passengers, from the street tolls.) Those who now drive but who shifted to transit might or might not consider themselves beneficiaries. It would depend largely on the quality of service offered. A good many might prefer riding on clean, fast buses with seating for all, to driving in stop-and-go traffic. With high enough tolls to decongest the streets, and perhaps use of the revenue to raise the quality of transit service, this type of bus commutation might indeed become possible.

c. *Rationing access to express highways.* The aim here would be to permit (by direct regulation rather than pricing) only enough vehicles onto express highways to utilize their full carrying capacity. Congestion greatly reduces that capacity. Like pricing, rationed access has the potential of reducing travel times for all. By giving priority of access to buses—quite rational in terms of the objective of minimizing average person delays—the managers of such a system could ensure that its greatest benefits accrued to nondrivers.

Briefer illustrations

Without belaboring the case, let us very briefly note a few of the other policy options that a "trickle down" analysis might highlight.

4. *Educational tuition vouchers.* The support of education in this manner would have great appeal to families that now use or would like to use private schools. Depending on the policy adopted, this might include the parochial school families. At the same time, in the ghettos, tuition vouchers would provide a mechanism for achieving

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community control while preserving the freedom of the individual parent. Schools eligible to receive the public tuition vouchers would doubtless have to meet standards of academic quality and racial balance. The latter would constitute a very powerful incentive for private schools to seek racial heterogeneity.

5. *Bonuses to integrated suburbs.* As a supplement or partial alternative to pouring money directly into inner city slum areas, bonus grants might be made to suburbs that accommodated members of racial minority groups in their residential areas and/or schools. The grants would presumably be designed to encourage both, but they would permit suburbs to do well financially even if they merely integrated their schools by busing nonwhite children from nearby ghettos.

6. *A national migration policy.* The policy here would be "trickle across" rather than "trickle down." The aim would be to relieve the pressure on big city public services and housing by improving living conditions in rural and small-town America. A system of roughly equal public assistance payments throughout the nation would constitute a major step in this direction, especially as the cost of living tends to be highest in big cities. Tax incentives or direct subsidies might be used to lure employers to regions being drained of population. Economists will argue that such subsidies are inefficient. But so is excessive migration. And the latter threatens the peace of the realm, not merely "efficiency." It need hardly be added that a policy of dealing with urban poverty by spending some money in the countryside would tend to expand the antipoverty coalition.

7. *Consumer protection activities.* The constituency for product safety, truth-in-packaging, and truth-in-lending regulation is predominantly middle class. But the main victims of merchant gouging, misleading advertising, and shoddy products are the poor. At least among the black poor, moreover, these constitute intense grievances. There are few fields in which an administration can spend so little money and play so well to the middle-class galleries, while in fact performing yeoman service for the under class. It should be noted that President Johnson recognized and capitalized on this during his last two years in office, when resources for more expensive programs were lacking. Needless to say, these efforts failed to offset the other factors tending toward his political demise.

8. *Tax reduction priorities.* The next time an administration feels it must reduce middle- and upper-class taxes, it might consider such means of relief as the following:

a. Permitting working wives to deduct part of the cost of child care and housekeeping services as a business expense. The "trickle down" effect would be to increase the demand for such services, and

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reduce their "real" cost to many customers. The expected result would be a sharp increase in the wages of domestic service workers.

b. Equalizing the average tax benefits secured by renters and owners of dwelling units. This might operate as follows. The deduction for housing costs would be placed apart from the (presumably reduced) standard deduction. Everyone who had housing costs would get a housing deduction. Owners would deduct their interest and property tax payments from their gross incomes. Renters would deduct a standard percentage of their rental payments. The poor would benefit because they are more likely to be renters than the nonpoor, and because their housing costs tend to be a higher proportion of their total incomes. They would also benefit from the increased demand for rental housing, as rental units utilize more low-skilled labor than owner-occupied units.

Conclusion

These examples are offered as hypotheses only—one man's first cut at the potential of "trickle down." Doubtless many readers can do better. Hopefully, they will be stimulated to try, and they will be joined by high-powered task forces attached to America's key institutions. The central theme of this article has been that a focusing of intellectual energy on the "trickle down" problem might yield very high payoffs in the coin of greater equality and social peace. American government, we have postulated, must inevitably direct a high proportion of its benefits to the nonpoor. Assuming that this is correct, a key question is how it can do so, thus maintaining broad majoritarian support in ways that incidentally offer maximum advantage to the poor.

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Taking the Post Office out of politics

RICHARD J. WILLEY

A NUMBER of signs indicate that the Nixon administration will introduce legislation to the Ninety-first Congress to implement the major recommendations of the President's Commission on Postal Organization. The Commission, chaired by Frederick Kappel of AT&T, has proposed that the Post Office Department be removed from the President's Cabinet and reorganized as a nonprofit, government-owned corporation (such as TVA). A businessman's recommendation (among the ten-man Commission were six top executives of major corporations and the Dean of the Harvard Business School), it has natural appeal to a Republican administration and special appeal to Winton M. Blount, the new Postmaster General. Blount was formerly President of the U.S. Chamber of Commerce—an organization which surveyed its several thousand members and found that over 95 per cent endorsed the Commission proposals. The administration has already taken a first step in the direction of a nonpolitical post office by announcing the intention to sever postmaster appointments from congressional patronage.

Despite the receptivity of the Nixon administration, there is also a strong sign that the Commission proposals will run into stiff, if not fatal, opposition in Congress. Not that this is a partisan issue. The government corporation was first suggested by a Democratic Postmaster General, Lawrence F. O'Brien, in April 1967. President

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Johnson subsequently appointed the Kappel Commission to study the question and, in his final messages to Congress in January 1969, urged "enactment of legislation along the lines recommended by the Commission." Moreover, editorial opinion across the nation has heavily supported the reorganization, and from sources as diverse as *Barron's Weekly* and the *New Republic*.

The major stumbling block is organized postal labor. The postal unions have tremendous leverage in Congress, and Congress is in the habit of constructing part-way houses when serious political opposition to any measure is aroused. Ordinarily, this kind of compromise is the very essence of democracy. It is not an answer, however, to the serious deficiencies that plague the postal operation today. For these deficiencies are unavoidable without a fundamental reorganization. They inhere in the regular-agency form under which the Post Office is now organized.

Postal deficiencies

The single incident most responsible for the original O'Brien proposal was the Chicago breakdown of October 1966. For several weeks, the largest postal facility in the world was in a state of near paralysis. At the height of the crisis, 10 million pieces of mail remained unprocessed and undelivered in a sixty-acre building literally choking on its own product. Not difficult to explain—inadequate equipment and management authority to handle an unexpected increase in mail volume—the breakdown is significant because the conditions that caused it prevail throughout the entire postal system. Although mail volume is ballooning—over 80 billion pieces in 1968, double that of two decades ago—equipment and management practices remain largely of pre-World War II vintage. Thus, "Chicagos" can happen again, at any time and place.

Threat of service failure is the most dramatic kind of deficiency, but by no means the only one. The Post Office continues to offer the same types of service it always has, with no effective mechanism for discerning the new needs of an ever-changing society. Perhaps postal patrons would pay extra to get guaranteed next-day delivery for urgent mail? The Post Office lacks information on this and other market demands because it has never made a comprehensive market survey—a basic tool of consumer-oriented private companies. Neglect of new services not only leaves the public with unmet mailing needs, but deprives the Post Office of badly needed revenues.

The failure to modernize affects personnel as well as service. With over 700,000 employees, the Post Office has one of the largest work forces in the nation. Yet it does little to fulfill what should be a basic employer responsibility today—providing opportunity for the

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energetic and talented to get ahead. Because a primitive organization of "production" requires little gradation of skill, four-fifths of postal employees retire at the same grade at which they were hired. In many industries in the private sector (which have no edge on the Post Office in suitability for mechanization and new techniques), the ratio is just the reverse: only about 20 per cent retire at entrance grade. Moreover, the top job in every office—that of postmaster—has traditionally been a political appointment, usually filled from outside the career service. Consequently, politics influences career decisions in the supposedly merit ranks as well. It is not atypical, for example, for a nod from the local party committee to be the decisive factor in promotion to supervisor, nor for disciplinary action against an employee with the right connections to be quietly dropped.

The physical environment in which employees work is often appalling. Most big-city post offices were built before World War II for much less mail and fewer workers. During peak hours, their mail-processing floors look like Hollywood caricatures of the nineteenth-century factory system. Crowding, dirt, poor light, inadequate heat and ventilation, too few lockers and rest rooms—these are not exceptional conditions, but the rule.

The inefficiency of the postal operation can be substantiated with a single statistic. Whereas the productivity of the average American worker has been increasing at an annual rate of about 3.2 per cent, that of the postal employee has averaged less than a tenth as much in the last decade—0.23 per cent per year. Stagnant productivity has resulted in ever-increasing charges to mail users: the cost of a first-class stamp has doubled since 1958. But still the post office does not break even. In 1967, as a result of the largest deficit ever (about one fifth of total costs), it consumed $1.2 billion of the taxpayer's money.

Other deficiencies can be mentioned: widespread dissatisfaction with the quality of everyday mail service, a highly authoritarian mode of supervising postal employees, a rate structure that allows many mail users to avoid paying what the Post Office ascertains to be full costs. Altogether, they portray a U.S. Post Office that is threatened by large-scale breakdowns, satisfies neither its customers nor employees, and drains the public treasury of funds urgently needed for other purposes. One can only conclude that it is an organization badly in need of strong corrective action.

The government corporation

The Commission found the root cause of postal deficiencies to be the fact that, as a regular governmental agency, the Post Office was too deeply involved in the political process to be managed in a fashion appropriate to its essentially business nature. What was

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needed was an organizational form that would give postal management the same kinds of decision-making freedom enjoyed in a more efficiently run private sector.

At first, many commissioners even spoke of private ownership as the most desirable solution. Although the long tradition of a government post office was a deterrent to this recommendation, the primary obstacle became the simple question: in its present state, who on earth would buy the Post Office? The government corporation of the O'Brien proposal provided a neat combination of public ownership with many of the management freedoms of the private sector. On the latter point, Harry Truman said in his 1948 budget message:

> Experience indicates that the corporate form of organization is peculiarly adapted to the administration of governmental programs which are predominantly of a commercial character . . . [its usefulness] lies in its ability to deal with the public in the manner employed by private business for similar work.

And the Commission had the example of TVA to draw from, with its world-renowned record of successful management under the government-corporation form.

Of course, TVA began as a government corporation. Changing the organizational form of such a vast and long-established institution as the Post Office, as Commissioner George Meany observed in a footnote to the report, is not a step to be taken lightly. The critical question is whether reforms can be made to allow business-type management without a complete reorganization. The Commission concluded that piecemeal changes would not suffice. Their judgment can be buttressed by showing that *any* regular agency cannot be run in the fashion of a business (and quite properly so). The kind of deficiencies which the Commission observed in the Post Office are inherent in the regular agency form. Thus, postal deficiencies can only be overcome with reorganization—or with so many piecemeal reforms that the Post Office would become in fact, if not in name, akin to a government corporation. Showing postal deficiencies as intrinsically a part of organizational form has the additional merit of removing any suspicion that individuals—whether postal officials or congressmen—are somehow to blame rather than the system.

Regular agencies and business operation

The criteria for business as opposed to regular-agency decision-making are clearly incompatible. The businessman is concerned first and foremost with economy: for both saleability and profit, any given quality of product must be turned out at least cost. When

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personnel appointments are made, it is on the basis of expertise in this endeavor. In the ideal, this is an enormously beneficial process for society. It ensures the efficient expenditure of economic resources, always relatively scarce, whereas governmental regulation exists to prevent the exaction of too great a social price.

In contrast, the most important regular-agency decisions are made in Congress and the Executive Branch by individuals who must look to political as well as economic criteria. First consideration must be given to the welfare of the nation as a whole, even though the economic cost be great. In a democratic system, the differing interests of groups and individuals must also be represented, frequently with very inefficient results from an economic point of view. One need only look at the loopholes of tax legislation for vivid testimony to this point. Finally, because partisan loyalty is often at least as important as expertise in the administration of public policy, many regular-agency personnel appointments remain in the political realm.

In short, regular agencies cannot be run in the fashion of businesses because the national, group, and partisan interests often take precedence over questions of economy and expertise. Applying this general conclusion to the Post Office, we find that it explains—as a good theory should—the most important relationships that the Commission found between postal deficiencies and present organizational realities. Three of these realities of greatest consequence are the investment process, Congressional management, and political appointments.

Postal investment

Because the Post Office is a regular agency, research, facilities, and equipment are financed through the normal governmental budgetary and appropriations process. Investment in these areas makes the finest kind of economic sense for the Post Office. Just to give one example: a letter-sorting machine can pay for itself in little over one year. A million dollar investment in such machinery means that, every year after the first, a million dollars is saved in the cost of postal operations. Yet letter-sorting machines are found in only thirty-nine post offices!

The paucity of these machines is but one indication that the entire postal system is undercapitalized. O'Brien estimated in 1967 that a billion dollars a year for five years would be needed to make up the insufficiency. The result of underinvestment, naturally, is the stagnant productivity and inefficiency that now characterize the postal operation.

Why the lack of investment? Under the normal governmental process, final decisions on finance are made by the Bureau of the

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Budget and Congress, not by postal officials. In a time of inflation, of pressure abroad on the dollar, of the political need to balance a tax bill with reduced government spending, where do these officials look to cut? There is no easier place than in the area of capital investment. It fills no immediate need; it is demanded by no powerful groups. Budget officials and congressmen, on the other hand, are under desperate pressures to reduce spending. They cannot help but grasp any opportunities that the system grants.

A perfect illustration is the budget for 1969. The Post Office began with a request for $507 million for plant and equipment. This was pared down to $313 million by the Bureau of the Budget and to $250 million by Congress—less than one half the original request. Ironically, Congress approved at the same time a $228 million increase over the last year's appropriation for postal operations (almost wholly personnel costs). A similarly large increase must be approved every year for the simple reason that if increased mail volume is not handled through capital investment, the number of employees must be increased instead—a cost, unlike investment, with no potential for savings and one that has to be borne every year thereafter.

In this manner, uneconomic and wholly irrational financial decisions are forced on the Post Office by a system that (rightly, from its point of view) places the national interest in immediately reduced spending ahead of postal investment. The answer is not to subordinate the national interest to postal modernization, but to take the Post Office out of the system. If it were a government corporation, it could follow the pattern of TVA and borrow the funds needed for modernization from the private capital market. As long as investment made economic sense, interest charges would provide no obstacle.

Congressional management and group interests

Congressmen are in truth the top managers of the Post Office. As well as appropriating its funds, they make the final decisions on rates (and therefore determine revenues), wages (which account for four fifths of postal costs), and a large number of operating procedures. Like the managers of any enterprise, they have the responsibility to treat with parties affected by their decisions, most importantly, organized labor and the large mail users. But there is a fundamental incongruity here.

A more basic responsibility of congressmen is to represent in the political sphere these very same groups, parts of their constituencies. In fact, these groups have often had considerable influence in getting congressmen into office in the first place. The postal unions, for example, among the strongest in the country, have been generous

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contributors of time and money to campaigns. (Where the Hatch Act forbids campaign activities to postal employees, their wives, organized into trade-union auxiliary associations, have taken over.) The nation's press, a major user of the mails, has an intimate link with politics through its ability to influence public opinion. How can congressmen, then, deal with these groups as would the managers of an economic enterprise? The effects of this impossible situation are everywhere in evidence:

- Although the Postal Policy Act of 1958 enjoins Congress periodically to adjust the rates of nonpublic-service categories of mail to cover costs, the Post Office calculated—prior to the 1967 rate bill—that regular second-class mail, mainly mass-circulation magazines, newspapers, and business publications, covered only 29 per cent of costs (estimated loss in 1967, $236 million) and regular third-class mail, mainly advertising, covered only 67 per cent of costs (estimated loss, $309 million).[1]

- Congress passed a pay increase for postal workers in 1967, despite the great pressure to reduce spending that led to the slash in capital investment. This increase was both larger than that for other civil servants and larger than the President recommended (estimated cost, about $60 million for 1968 and $160 million for 1969).

- The number of restrictive operating procedures forced on the Post Office as a result of group pressures on Congress is legion. For instance, in order to lessen competition from the Post Office, private express companies worked for the passage of legislation in 1951 that prohibited parcels of certain sizes from being sent through the mails. A union-inspired statute requires that mail be transported by postal employees where an airport is thirty-five miles or less from a city, even though private carriers under contract to the Post Office are covering similar ground. These same private carriers have fought legislation, wanted by the Post Office since 1958, that would enable the shipment of mail via highway common carriers to supplement the contract service based on competitive bidding it now must use.

Although congressional decisions such as these have contributed markedly to postal deficiencies, the blame cannot be placed on individual congressmen nor congresses. To interpret such decisions as a knuckling under to powerful groups entirely misconstrues the nature of the political process. Representing the interests of constituents is a vital job of congressmen, and political pressure and its

[1]If the Post Office used a business-type cost ascertainment system, these figures might very well be different. But this does not deny that on the basis of the only information available, Congress has set below-cost rates.

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consequent give and take is what democracy is all about. If uneconomic decisions on postal matters are to be avoided, the answer is to remove the Post Office from a system that requires business decisions from men who have to be responsive politically.

With the Post Office reorganized as a government corporation, congressmen would become general overseers without detailed decision-making involvement in rates, wages, and operating procedures. Annual review of corporation budgets by Congress is provided for in the Government Corporation Control Act of 1945. In practice, this device has given congressmen ample opportunity to influence important issues of policy that have arisen. Business-type decisions for a postal corporation, however, would be made by professional management and a Board of Directors appointed by the President with the consent of the Senate.

In the sensitive area of rates, the Commission has recommended that a small panel of expert rate commissioners, independent of the professional operating management of the corporation, hear the views of interested parties, assess postal needs, and advise the board as to the merits of changes proposed by management. It would be the responsibility of the board to protect the public interest, but Congress would also have a reserve power in this respect: it could veto a rate action within sixty days. This procedure was preferred to the creation of an independent agency, like the FCC, to regulate postal rates, because it avoided the anomaly of one governmental body regulating another as well as the proliferation of bureaucracy. Congress would be much less susceptible to group pressures on a veto than when directly setting rates itself. For a veto to succeed, a determined majority would be needed for action.

The Commission has recommended that wages be determined through collective bargaining between unions and the postal corporation, with continuation of the present prohibition against strikes by federal employees. Impasses would be settled by voluntary and binding arbitration, perhaps using the standard of comparability with private industry, or—if that course did not produce settlement —by a suitable mechanism determined on an *ad hoc* basis by the President, as railroad disputes have been settled in the past.

Postal union leaders, strangers to collective bargaining, naturally resent the rupture of their accustomed relationship with Congress, and the remembrance of Presidential involvement in the rail disputes is not a particularly pleasant one. Yet this recommendation still seems the least unattractive of the alternatives. The present relationship between the unions and Congress is an unnatural one for a business enterprise, and there would be some motivation to settle disputes without drawing in the President because neither side could be certain as to the mechanism he would choose. In any case, arbitration, whether through a panel chosen by the two sides

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or by the President, seems the most sensible way to settle labor conflicts today in an industry essential to the national welfare.

Political appointments

Business firms usually appoint top managers on the basis of expertise and wide experience, either within their own or related organizations. Only once in modern history, however, has the President appointed a man to head the Post Office who has been an experienced postal manager (Jesse Donaldson under Truman in 1947). Typically, the Postmaster General has been a top party man, more important to the President as a manager of political affairs than of the Post Office. Naturally, he picks up some experience of postal matters over time, but this tends to be of short-lived usefulness. These top managers of the Post Office generally leave after only two or three years in office.

The field managers of the postal system—the several thousand postmasters across the land—are also appointed by the President, although in the part the decision has actually been made informally by the congressman in whose district the post office is located. (If the congressman is not of the President's party, the "adviser" becomes some other state or local political figure.) As a result, only about one third of postmasters appointed in this decade have been career employees, and even these do not always include the best qualified from a management point of view: there have been cases of clerks or carriers appointed over the heads of supervisors. Thus, more often than not, that man on the supervisory staff of a post office with the most advantageous experience and greatest ability does not get the number one slot. Nor can a man who performs admirably as the postmaster of a small town ever be transferred to the more demanding position of postmaster in a large city, because of the residency requirement of political appointment.

Political appointments in the Post Office result in the strangest sort of chain-of-command for a business enterprise. Because postmasters are appointed for life and in most cases owe their positions not to postal management but to a place in the political scheme, local post offices can exist as islands unto themselves. This makes it most difficult for the Post Office to "manage" its operations in the true sense of the word. Within headquarters in Washington, political appointments also contribute to a fragmented structure. Each bureau is headed by a Presidential appointee who often has a power base independent of the Postmaster General.

The Commission has recommended that, with corporation form, postmaster appointments be taken out of politics. A nine-man board of directors would be made up of six part-time members appointed by the President and three full-time officers (including the counter-

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part to the present Postmaster General—a Chief Executive Officer and Chairman of the Board) named in turn by the Presidential appointees and responsible to them for the management of the Post Office.

Having these most important full-time officers appointed outside the political sphere represents a departure from normal government-corporation practice. It embodies the strong Commission feeling that what a successful Post Office needs is professional management, and management that could be released without a political row if it failed to perform. To attract the most talented managers, the Commission has also recommended that full-time officers be paid salaries competitive with private industry—and this would mean higher than the salaries now received by congressmen, Supreme Court justices, and members of the President's Cabinet. The justification is that without the prestige and power that accrue to these latter positions, financial incentive would be needed to induce the best people to leave private industry (although the challenge of making the Post Office work might intrigue the more daring).

The Post Office: A business?

The burden of the argument to this point has been to show that the Post Office is seriously deficient in many respects and that these deficiencies cannot be overcome without reorganizing for a business type of operation. The key question remaining to be explored, however, is one of value rather than fact: *should* the Post Office be run as a business? The Commission thinks so, but its background—predominantly in private enterprise—hardly makes this judgment surprising. If the Commission is mistaken and the Post Office does not perform essentially a business function, then regular-agency form is the right one, despite inherent deficiencies. In fact, many supposed deficiencies take on a different light when seen from a nonbusinessman's point of view. Billion-dollar "deficits," for example, are accepted features of most regular agencies, and political appointments make sense when there are politically sensitive policies to administer.

Does a crucial distinction exist, then, between the Post Office and normal agencies of government? If it is proper that the most important decisions for regular agencies be made in Congress and the Executive Branch, according to other than strictly economic criteria, why should the Post Office under a different form be allowed more business-type freedoms?

The answer has to be that the Post Office receives a payment from the recipients of its service and is potentially self-supporting. Although almost all regular agencies have to be financed wholly through tax revenues, only a small part of postal costs—averaging

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15 per cent over the years—has to be covered in this way. At times in the past, the Post Office has even operated in the black. The need for tax revenues explains political controls and the consequent measure of economic inefficiency built into all regular agencies. Because tax revenues come from the people and belong to the nation as a whole, they must be expended in the best national interest and, in a democracy, as the people dictate through their representatives. But the converse is then true for the Post Office, which does not necessarily require tax revenues.

If the Post Office had always been completely self-supporting, and had never been used for the kind of public policy program financed through tax revenues, it would be difficult to object to this line of reasoning. As it is, however, arguments based on these grounds do have to be answered.

The deficit and the general welfare

Because a portion of tax revenues has been needed in most years to cover a deficit, one could argue that the Post Office should be controlled in the same political fashion as any other agency spending the people's money. The flaw in this argument is that the postal deficit is brought on by the very organizational form it is used to justify. Change that form to eliminate inherent deficiencies and no more deficit! The Commission estimates that, in time, a minimum of 20 per cent of present costs could be saved with the more business-oriented operation it recommends. If those savings had been effected in 1967, the deficit would have been erased, and with no rate increase.

Another argument sees mail communication as so indispensable to the general welfare of the country that the Post Office should receive at least some financial support from tax revenues (whose expenditure, of course, would require regular-agency political controls). Congress shared in this philosophy when, in the Postal Policy Act of 1958, it determined that a percentage of the costs of rural operations should be paid out of tax revenues, on the assumption that rural services were unprofitable but had to be maintained for the public good.

Functioning for the public good, however, cannot be the sole criterion for tax support and regular-agency status. Otherwise, most of society would be so organized. A whole host of organizations are indispensable to the national welfare and are not regular agencies—in the private sector, for example, telephone companies, electric utilities, the entire system for the provision of foodstuffs. Further, to think that a tax subsidy should be paid for rural service is to misunderstand the nature of the postal enterprise. Providing nationwide coverage is just as much a service to urban as to rural

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America. Who benefits when an urban business sends a catalogue to the country, or when young people who have moved to the city receive a letter from home? The costs of nationwide coverage cannot be separated into urban and rural components, but must be borne by the system as a whole.

A corollary to the general welfare argument is that tax support permits low rates, thereby stimulating commerce and the dissemination of information. Many publications and direct mail advertisers even claim that to pay what the Post Office ascertains to be full costs would drive them out of business. This might not upset too many people with regard to advertising in the mail, but some of the highest quality magazines and journals are financially very marginal operations, and the widest possible dissemination of the press is vital to the democratic process. Does tax support really permit low rates, however? Pointing to the steadily climbing rates of past years, one could argue that the inefficiencies resulting from the regular-agency form more than cancel out any beneficial effects of tax support. A better way to maintain low rates for all types of mail would be through a more business-like operation. Moreover, the Post Office now allocates its very extensive (almost half) fixed or institutional costs proportionately among all classes of mail in determining rates. A business-like operation would realize that having marginal users pay only a small share of fixed costs would be more profitable for the Post Office than driving them out of business. Thus publications and other "below-cost" commercial mailers are likely to fare better in the long run under corporate form than with the present system, and will escape at the same time any charge of "subsidy."

Subsidies

Congress might wish, however, to continue subsidies through preferential rates to certain types of mail user, such as educational institutions, religious orders, and other nonprofit organizations. No different from any other public policy program, one could maintain that such subsidies should properly be funded from tax revenues.

Yes, they should—properly. But if the objective of an efficient Post Office is to be achieved, at this point a compromise with logic may be desirable. At present, the cost of this kind of subsidy calculated by the Commission according to economic standards, is less than 4 per cent of total postal costs. It is reasonable that such a small percentage should justify an organizational form that costs the Post Office so much more through inherent inefficiencies?

To avoid this anomaly, the Commission has recommended that the postal corporation itself cover the 4 per cent subsidy, with the proviso that the subsidy be kept within the general range of that figure. The

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corporation would thus be paying a kind of income tax, such as those assumed by private and even other government corporations. TVA, for example, makes a contribution in lieu of taxes to states and localities, in its area of operation, of 5 per cent of gross power proceeds (excluding sales to the U. S. government). Of course, mail users would eventually end up paying the costs through postal rates. Because the mails are so generally used by the public, however, and in rough proportion to income, this method would not differ greatly from the present method of the general public paying the costs through taxes. The significant difference is that the Post Office would not have to go to Congress for any funds at all.

Employer of last resort?

The postal corporation would not be able, however, to cover by itself the costs of one major kind of public policy program advocated for the Post Office: that it be used to provide jobs for surplus labor, a vast employer of last resort. It might deliberately be kept inefficient in order to employ greater numbers (as it does unintentionally today), or it might be used to provide additional labor-consuming services which really are not needed. Daniel P. Moynihan has suggested, for example, the creation of 50,000 jobs by reinstituting two mail deliveries per day in residential areas—a service, it seems, most of the nation has gotten along well enough without.

If there were no other jobs in the nation that needed to be done, one might agree with this line of reasoning. Every able-bodied citizen should be able to work. But there are slums to be cleared, children to be taught, streets to be policed, sick people to be cared for. With so many tasks waiting to be done, the Post Office does not need to be used in what would be a highly demoralizing, make-work fashion. What is needed, instead, to fund some of these urgent tasks is the $1.2 billion in tax revenues now squandered on an inefficient postal operation.

Prospects

Because the Post Office has the potential to be self-supporting and because its public policy functions are relatively unimportant compared to the advantages of a more efficient operation, the Post Office can be considered essentially a business enterprise. There is nothing in the nature of what it does to prevent conversion to a government corporation. On the contrary, this is impelled by the serious deficiencies in the postal operation that are unavoidable with regular-agency form. Despite the reasonableness of the case for reorganization, however, prospects for implementing legislation in the near future do not look particularly bright.

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Traditionally, Congress has been a defensive, conservative body, requiring a great deal of pressure to secure action and very much less to stop it, and the influential postal unions are generally hostile to the Commission recommendations. Endorsed by only one of the twelve postal employee organizations (General Services and Maintenance Employees), the recommendations have been savagely attacked by the letter carriers, the largest and most powerful union of them all. Their president sees the corporation proposal as "the most serious situation that has arisen in the Postal Establishment in the past century" and has called upon all postal unions to mount a "militant offensive" against it.

The grounds for union hostility are not difficult to discern. The promise of improved career opportunities and better working conditions for employees has not been enough to motivate union leaders to exchange their special relationship with Congress ("the best and most consistent friend we have ever had") for collective bargaining in which the leaders are inexperienced. Nor can the rank and file be won over against a relationship that produces tangible rewards in the important bread-and-butter issues (in the nation as a whole, postal wages and benefits are above those of such industries as general manufacturing and telephone communication). Moreover, no matter how evident it may be that present postal employees will not lose their jobs, organized postal labor will tend not to look favorably on a reorganization that can only increase productivity by retarding growth in employment.

Union hostility might be enough by itself to head off reorganization. As it is, significant bases for opposition also exist within Congress. The campaigns of many congressmen benefit from contributions, in time and money, from organized postal labor. If congressmen no longer made decisions about wages and operating procedures, there would be no grounds for such assistance. Those congressmen, too, who have seniority in the committees and appropriations subcommittees concerned with postal affairs will not want to see their bases of power swept away. And many congressmen have been able to use postal patronage to their political advantage back home. Despite the introduction of a number of bills to take postmaster appointments out of politics, one has yet to pass the House.

In addition to these grounds for individual opposition, Congress as a whole has not been moved by some of the more compelling arguments for reorganization. One argument, outside the postal sphere altogether, is that relief from the minutiae of routine business management will allow congressmen more time to master the truly important complexities of governmental concern today. The failure to keep up with the technical expertise of the Executive Branch has meant a drift of power away from Congress in today's complicated

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world. But most congressmen do not feel that postal matters take up an inordinate amount of time. In fact, some are probably glad to have a subject to grapple with that appears familiar and easily comprehensible. There has also been no indication of alarm about the postal deficit, only a drop among other tens of billions being spent. And Congress generally still retains the feeling that its guardianship is demanded over an industry so important to the national welfare and that its ministrations result in lower rates and better service rather than the reverse.

Congress does sense the need for some change in the Post Office. The Commission Report and editorial response have at least created this awareness. But the reaction has been the traditional seeking of a happy medium. For example, the Chairman of the House Post Office and Civil Service Committee, Thaddeus J. Dulski, introduced in January a comprehensive Postal Reform Act (H.R. 4) which, among other things, would take postal investment out of the normal budgetary and appropriations process. Yet, the bill would still allow congressional control over wages, and thus 80 per cent of postal costs; it would still necessitate congressional appropriations to make up deficits (for the Post Office in the bill is not envisaged as self-supporting); Congress would still be very substantially involved in rate-setting; postmasters would still be appointed by the President, and because of a residence requirement, talented postmasters could not be transferred to more demanding offices; in fact, the bill would retain almost the entire panoply of fragmentation and political responsiveness in management that has made the Post Office in the past such a failure as an economic enterprise.

Piecemeal reform will not suffice to remove deficiencies that inhere in regular-agency form, nor will the habit—fashioned over a century and a half—of thinking and acting in terms of a political post office ever be modified except by a dramatic break with the past. The principal beneficiary of reorganization, however, the mail-using, tax-paying general public, has not yet been stirred to make the kind of general outcry that alone will move Congress in the face of opposition. The outlook, therefore, is for the Post Office (in the words of the Commission describing the price of inaction) "to jog along in its rickety fashion for years before it collapses." The collapse might well come in the form of another Chicago-type breakdown, or a series of them, which would finally stimulate public outrage and congressional action. In the meantime, the Commission recommendations will serve as a focus of public education and debate, the starting point in the long and painstaking process of getting sensible ideas converted into public action.

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TOWARD A SOCIAL REPORT: I

The idea of a Social Report

DANIEL BELL

ON January 20, the very last day of the Democratic administration, Wilbur Cohen, Secretary of Health, Education and Welfare, quietly released a document called *Toward a Social Report*,[1] the first effort by any government to set up a set of social indicators for measuring the performance of the society in meeting social needs. Despite the awkward symbolism of the report being made public in the waning hours of "The Great Society," it is clear that the "idea" of a social report is one whose time has come and that in the future the publication of a Social Report, whether by the Nixon administration and/or foundation and university groups will be an established feature of public-policy analysis. No society in history has as yet made a coherent and unified effort to assess those factors that, for instance, help or hinder the individual citizen to establish a career commensurate with his abilities, or live a full and healthy life equal to his biological potential, which define the levels of an adequate standard of living, and which suggest what a "decent" physical and social environment ought to include. The document *Toward a Social Report* is the first step in the effort to make that assessment.

Inevitably, the idea of a Social Report brings to mind the Economic Report and raises questions about parallels and differences.

[1] Available from the U.S. Government Printing Office, Washington, D.C., Fifty-five cents.

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Each January, the Council of Economic Advisers produces its annual report, whose economic indicators chart growth, productivity, employment, and inflation, and whose accounting scheme measures the distribution of income and spending among government, firms, and private individuals in terms of investment and consumption. The Economic Report has become a necessary tool for public policy-making. But for social policy it is highly inadequate, and in some ways even deceptive. The Economic Report, for example, measures the economic progress of the country as reflected in the increase in Gross National Product (GNP). Yet such an indicator leaves out many of the more important (and, equally significant, the growing) dimensions of economic life. To illustrate: GNP, as a measure, is "additive" and thus, paradoxically, turns a "minus" of social life into an economic "plus." In a familiar example, the construction of a paper mill pollutes the river into which it empties its wastes. The consequent cost of cleansing the river becomes a further *addition* to GNP, in the form of the wages and salaries paid to those cleaning up the pollution. What should be an "offset" to GNP is thus reckoned as an addition, and our measure of economic progress is consequently distorted.

Other activities whose costs we want to know are not caught in the statistical net we have to use. GNP does not measure, except indirectly, the costs of crime and mental illness that may be associated with (one would not dare say "caused" by) the increasing urbanization of society. The Economic Report, though presenting data on the incidence of poverty, understandably says little about the social attitudes—apathy, alienation, or resentments—bred by deprivation. It cannot, by its self-limiting scope, deal with the quality or amenities of life, such as better health, the degree of congestion, the availability of social services, and the invasion of privacy. These gaps, and the need to find measures that could chart their extent, have prompted the effort to set up social indicators as a necessary complement of economic measures. Without such social indicators, policy-making becomes increasingly deficient in its ability to judge alternatives.

The idea of social costs

The movement to set up social indicators, though recent, has a long history as an idea and arises in the earliest reflections on the consequences of private economic activities, principally in the recognition of the divergence between the private costs borne by a firm or individual entrepreneur and the costs to others, or to the community, which such individuals generate but do not bear. Though the idea of social costs is implicit in the writings of the classical economists, it was the socialist writer Sismondi who first made the

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idea explicit, and formulated some remedies. In his *New Principles of Political Economy* (1819), Sismondi argued that the true object of economics is man, not wealth; observing the costs of unemployment that were borne by the community in the form of poorhouses and *hospitals*, he proposed that employers guarantee their workmen security against intermittent work, sickness, and destitution in old age. As Schumpeter remarks, in his *History of Economic Analysis:*

> The more limited modern idea of the "guaranteed wage" may with justice be said to have been visualized by [Sismondi]. The originality of his suggestions stands out in one point: his idea was to turn the social costs of labor-saving improvements into business costs of employers.

It was not until a hundred years later, however, when A. C. Pigou wrote his *Economics of Welfare* (1920), that the phenomenon of social costs was integrated into the conceptual system of neoclassical equilibrium economics. Pigou made a distinction between the "marginal social product" and the "marginal private net product." He pointed out that the investment of additional resources may throw costs "upon people not directly concerned" such as "the uncompensated damage done to surrounding woods by sparks from railway engines." In those cases, the marginal net social product of a given unit of investment may be considerably smaller than the marginal private net product. In his book, Pigou gave dozens of examples of similar "disservices": the destruction of neighborhoods by the construction of factories in residential districts; the costs to the consumer of competitive advertising; the increase in expenditures for police and prisons because of the rising sale of liquor; the overrunning of a neighbor's land by rabbits originating from game preserves; the costs of diplomacy and armies because of the rise of foreign investments; etc.

Except for the work of K. William Kapp, later formulations in welfare economics tended to play down the idea of social costs that Pigou had emphasized. This was owing to the fact that the "new" welfare economics, taking up a different strand of Pigou's, conceived of the welfare of the community in terms of the sum total of utilities of *individuals*, and denied even the possibility of a combined or a communal welfare function similar to the ordering principle of individual preferences.[2]

Kapp's work, *The Social Costs of Private Enterprise* (1950), returned to the earlier examples of Pigou, and in comprehensive fashion (the first of this scope that I know of) sought to assess, in quantitative and money terms, the social costs of work (occupational injuries, disease, and the like), air pollution, water pollution, de-

[2] For a recent symposium on this question, with particular reference to Kenneth Arrow's "impossibility theorem," see Sidney Hook, ed., *Human Values and Economic Policy.*

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pletion of natural resources and energy resources, erosion and deforestation, technological change, unemployment, and advertising. The book was written within the framework of "institutional" economics, and had a normative (i.e., political) intent; given the mood of the economists of the time for refined mathematical models, it was neglected. But the concept is clearly laid out, and the idea of measuring social costs (or what economists today call "externalities" and "diseconomies") is an important dimension of the effort to set up social indicators.

Social trends

A second, different source of the interest in social indicators goes back to the work of the sociologist William F. Ogburn and his desire to measure the rates of social change. Ogburn was intent on establishing statistical series that would improve the methods of extrapolation and correlation as a means of predicting the future.[3] But his broader interest was in social planning, and he realized that one needed an accurate "fix" on social trends in order to do any useful social planning. The benchmark work in this respect, (neglected for nearly thirty-five years) was the volume *Recent Social Trends* (1933). This work consisted of twenty-nine chapters, many of them summarizing monographs of greater length, which covered every facet of American life.

The volume was an outgrowth of the President's Research Committee on Social Trends, which had been established by President Hoover in 1929, under the chairmanship of Wesley Clair Mitchell, with Ogburn as Director of Research. The intention was to issue an annual report on social trends, but during the depression this effort was abandoned.[4]

What is quite remarkable about the volume *Recent Social Trends* is how well (except for the chapter on population) some of the analyses stand up. The chapter on medicine, for example, dealt with the rise of specialized medical practice, the divergence between research and general practice, and the consequences of geographical concentration; if heeded, it would have gone far to avert the present

[3] See, for example, the chapter "On Predicting the Future," in his *The Social Effects of Aviation* (1946).

[4] Five volumes appeared, under the editorship of Ogburn, as annual reports, entitled *Social Changes in 1928, in 1929, in 1930, in 1931, in 1932.* In addition there was a preparatory volume entitled *Recent Social Changes since the War and Particularly in 1927,* and two postludes, *Social Change and the New Deal* and *Social Changes during Depression and Recovery.* All were published by the University of Chicago Press. An effort was made to continue the index of social trends for the next three years (1935–1937) in essays in the *American Journal of Sociology.* A bibliography of Ogburn's voluminous writings appears in a volume of his selected papers, *William F. Ogburn on Culture and Social Change,* edited by Otis Dudley Duncan (Chicago, 1964).

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crisis in the delivery of health care. The chapter on metropolitan communities was an accurate foreshadowing of postwar suburban problems.

In the late 1930's, a governmental agency, the National Resources Planning Board, prompted by Louis Brownlow and Charles Merriam, undertook substantial monographic studies on technology, population, and the cities, which were intended as guides for the preparation of public policy. These were published, but went unheeded because of World War II. None of these efforts was resumed after the war.

The lag in indicators

In one sense, it is surprising how belated the movement for social indicators has been. Despite the New Deal, and despite the apparent interest in social trends before World War II, little attention was displayed afterward. One reason was that there was a shift within the sociological profession itself. The kind of "institutional" sociology of Ogburn at the University of Chicago, as with "institutional economics," was displaced by an interest in abstract theory; in sociology, notably, by "structure-functionalism" and its preoccupation with the problems of order and integration in society, rather than change.

A second reason, perhaps, was the preoccupation in government with economic indicators and the development of macroeconomics. Though the ideas of national income, GNP, and economic accounting go back to the "political arithmetic" of Sir William Petty in the seventeenth century and the *tableau economique* of François Quesnay in the middle of the eighteenth century, their development in quantitative and aggregative form—by such men as J. R. Hicks and Simon Kuznets—came only in the 1930's, when economic theory began to shift its attention from the firm to the national economy. It was only in 1942 that the U.S. Department of Commerce, at the instigation of Robert R. Nathan, began publishing national income data, whereas the concept of a GNP was first broached by Franklin D. Roosevelt in his budget message in 1945.

Thus, during the late 1940's and 1950's, the sociologists neglected social-trend analysis, while on the government level the chief occupation was in the shaping of macroeconomic data and the formulation of the economic advisory process in the Council of Economic Advisers.

It was only in the Kennedy years and after, with the rising concern with domestic social problems—poverty, race, health, environmental pollution, persistent unemployment (which some alarmists attributed to "automation"), housing, and the like—that interest in social measurement and social-trend analysis reawakened. Economists

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began to apply cost-benefit analysis to some of these problems and to become aware of the immense difficulty in measuring social costs and social benefits; political scientists and economists began to formulate Program-Planning-Budgeting Systems, as a means of rationalizing diverse government programs and of weighing the effectiveness of alternative systems; sociologists became interested in urban planning, education, race, and long-range forecasting for purposes of social planning. The new interest in social indicators arises from a merger of all of these concerns.

The new impetus

The more immediate impetus, intellectual and organizational, for the establishment of social indicators and the writing of a social report came largely from a few single individuals. One was Bertram D. Gross, the political scientist, for many years at Syracuse and now at Wayne State. Gross had been the executive secretary of the first Council of Economic Advisers, where he had realized the limitation of economic indicators for social planning. In a number of writings, beginning in the early 1960's, he assiduously argued for the necessity of broader measurements. In several memoranda to the White House, he argued that the President ought to prepare, each year, a "Social State of the Union" message, which would define the ongoing needs of the society. In some theoretical essays, he sought to outline a "social systems model" that would permit of social accounting.

There is a curious bifurcation in Gross's approach. The proposed "social state of the union" message is narrowly empirical, a kind of social reporting, with little analysis; the social-systems model in contrast is comprehensive but abstract (using a set of quasi-Parsonian categories), so that it is difficult to apply for policy purposes. The government document, in range, falls between these two; but significant credit for the idea belongs to him.[5]

A different kind of interest in social indicators has been stimulated by the Russell Sage Foundation. For the past few years, that foundation has taken the lead in the effort to define social measurements for policy purposes, an effort analogous to the work of the National Bureau of Economic Research in the 1930's in stimulating economic data collections. Under the direction of Wilbert Moore and Eleanor

[5] Gross's efforts have been reflected in many publications, notably the book *Social Indicators*, edited by Raymond Bauer (M.I.T. Press, 1966), and two numbers of *The Annals* (May and September 1967) on "Social Goals and Indicators for American Society," edited by Gross. The major thrust of the Bauer volume (which includes Gross's "Social Systems Model") is the need for a better information system in government; the book contains, for example, the most trenchant criticism extant of the nation's crime statistics, by Albert Biderman. The two numbers of *The Annals* are a mixture of hortatory and analytical arguments about the deficiencies of American society.

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Bernert Sheldon, the foundation set up an in-house project in 1965 on the "monitoring" of social change. The major product, so far, is the massive volume, *Indicators of Social Change: Concepts and Measurements* (1968), which is the most comprehensive volume since *Recent Social Trends* on the major dimensions of American society.

A third influence has been my own activity. In an early essay, "*Work and Its Discontents*" (1956), I had argued the need for a different social measurement of work than efficiency, for the need to measure the social costs of technological change. More recently, the Commission on the Year 2000 (established by the American Academy of Arts and Sciences), of which I am chairman, has sought to sketch the prospective history of long-run structural changes in the society in order to identify policy problems that the country will have to face in the next decades.[6] The President's Commission on Technology, Automation and Economic Progress (which included, among its fourteen members, Thomas J. Watson, Edwin Land, Walter Reuther, Robert M. Solow) in 1966 adopted my proposal for "A System of Social Accounts" as a means of improving public decision-making. As the commission report stated:[7]

> What would a system of social accounts allow us to do? The word "accounts" is perhaps a misnomer. Sociologists have been unable to establish few completely consistent sets of relationships (such as, say, between unemployment and delinquency), and even where such relationships are established, it is difficult to state these in measurable terms. Yet the need to make these explorations is necessary.
>
> A system of social accounts, if it could be established, would give us a broader and more balanced reckoning of the meaning of social and economic progress and would move us toward the measurement of the utilization of human resources in our society in four areas:
>
> 1. The measurement of social costs and net returns of economic innovations;
> 2. The measurement of social ills (e.g., crime, family disruption);
> 3. The creation of "performance budgets" in areas of defined social needs (e.g., housing, education);
> 4. Indicators of economic opportunity and social mobility.
>
> Eventually, this might provide a "balance sheet" which could be useful in clarifying policy choices. It would allow us to record not only the gains of economic and social change but the costs as well, and to see how these costs are distributed and borne.

The Technology Commission report was swept under the presidential rug, but, prompted by the assiduous Gross, Douglas Cater, the White House special assistant in charge of such matters, and John

[6] See *Toward the Year 2000*, edited by Daniel Bell (New York: Houghton Mifflin, 1968).

[7] *Technology and the American Economy* (Washington, D.C.: U.S. Government Printing Office, February 1966), Vol. 1, pp. 96–97.

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Gardner, the Secretary of Health, Education and Welfare, became sufficiently intrigued with the idea of social indicators to convince the President that the idea was worthwhile, and an official message from the President formally assigned this task to HEW.[8]

In fall 1966, a Panel on Social Indicators was set up, chaired by William Gorham, Assistant Secretary of HEW in charge of program evaluation, and myself. When Gorham left HEW in 1968 to become head of the new Urban Institute, he was replaced by Alice Rivlin, an economist from the Brookings Institution, as Assistant Secretary and as co-chairman of the panel. The deputy assistant secretary, Mancur Olson, was in direct charge of the creation of the social indicators. The panel, composed of forty-one social scientists and an equal number of government statisticians and technicians, prepared a large volume entitled "Draft Materials for a Social Report." But the major task of preparing the final document was the responsibility of Dr. Rivlin and Mancur Olson.

What is a social indicator?

Given the initial comparisons with the Economic Report, and the hopes of sociologists that the development of social indicators would lead to a system of social accounts, it is important to stipulate the nature—and limits—of the document *Toward a Social Report*. In a sneering (and correspondingly ignorant) editorial, *The New Republic* commented: "The document . . . is illuminating if the reader has spent the last 20 years in a closet." The comment is made on the assumption that the document was trying to achieve some kind of definitive assessment of American society; but it has not attempted any such thing, for as the first pages of the introduction and the appendix on the deficiency of existing statistics indicate, no one is in a position to make any such assessment for we do not have the measures to do so. If anything, a close reading of the document would caution anybody against using the existing data to make any authoritative statements, pollyana-ish or cassandra-ish, about "the state of American society." The document *Toward a Social Report* is only a first step to develop measures that might allow us to do so.

The primary point is that the existing government data—which is all that is available to anybody—is organized primarily for administrative purposes, and not for analysis; from such data it is difficult to draw conclusions which are of normative value. Take the question of health. Given the increasing amounts of money we have been

[8] The Presidential Message to Congress on Domestic Health and Education stated: "To improve our ability to chart our progress, I have asked the Secretary to establish within his office the resources to develop the necessary social statistics and indicators to supplement those prepared by the Bureau of Labor Statistics and the Council of Economic Advisers. With these yardsticks we can better measure the distance we have come and plan the way ahead."

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spending, is the country healthier or not? We do not know. No one knows. Our statistics tell us the amount of money *spent* on health care, how many doctors, nurses, and hospitals we have, but there is no measure of any *result*. Part of the difficulty is that our data collection is oriented to "inputs" and not to evaluation; the larger difficulty is a conceptual one, because there has been no agreement on *how* one measures health. Traditionally, the government has used a measure of "life-expectancy." But on reflection it is clear that this is hardly adequate, because such a simple index does not take into account the number of sick days or days in bed that a person experiences. In fact, and paradoxically, as a larger and larger percentage of the population lives out its full years, the amount of sickness may be expected to increase, because old age has its inescapable infirmities; and the increase in the number of the aged has been a sizable factor in the rise of hospital costs. One of the things that the Panel on Social Indicators sought to do was to establish a more sophisticated index of health by estimating the number of "free-of-bed-disability" days a person has during the year. In creating, for the first time, such an index, two questions remain: how valid is it (and this is a technical question for the demographers and health scientists to argue about); and if such an index is valid, what is the historical time period for meaningful comparisons? But so far, no one can say with any precision, what kind of correlation exists between various expenditures on health and the actual state of the nation's health.

A second, and equally obvious, area is that of crime. Any literate person is aware of the monstrous deficiencies of the FBI crime "index." There are such relevant factors that it does not "deflate" for changes in price (that a $50 larceny of twenty years ago and a $50 larceny today are counted under the rubric of "major crimes," even though a stolen item costing $50 today was worth $30 twenty years ago and therefore such thefts were not counted then: in effect an "inflationary bias" is built into the index, making comparison hopeless); or that the FBI does not relate crime to age-specific rates (about 70 per cent of all crimes are committed by youths, and if there are more young people in the population, as is the case today, the number of crimes will increase). Aside from such deficiencies, there is the most difficult fact of trying to make sense of the FBI "index"—it jumbles murder, rape, assault, burglary, larceny, car theft, etc. to produce a gross total that, inevitably, because of the larger number of car thefts and the like, will always tell us that there is more "crime" today than ever before. This tells us, in effect, almost nothing—and, for purposes of telling us exactly what is happening, is misleading.

The problem of constructing a relevant crime index highlights the general problem of constructing social indicators. The chief virtue

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of the national income statistics, for example, is that they are aggregative. Over any period of time, the output of some goods increases whereas that of other goods decreases, but the national income account summarizes this diversity into a single number and tells us, on balance, whether an economy has grown or declined over time. It does so because there is a single lineal measure—money—into which these changes can be aggregated. Thus one can take a pound of potatoes and a "pound" of automobile, translate them into a single dollar value, and "weight" them by relative price. But how does one compare murders (which until recently were decreasing in the United States) with car thefts (which have been soaring)? How does one aggregate them into a single meaningful figure? The need is to find a common measure, and in this case the panel (utilizing the work of Marvin Wolfgang of the University of Pennsylvania) sought to do so by "weighting" each crime by the relative legal penalties associated with it, and also by the discernible opinion of the public on the relative heinousness of different crimes. (Interestingly, the most comprehensive opinion survey correlates .97 with the average length of prison sentences for the same crime.) Thus, it may be that rapes are given a weight of "30" and car thefts of "2," so that length of prison sentence—the *penalty time,* like money—becomes the lineal basis for an aggregative index. If this new index is valid, then over time we might be able to say whether "crime" is actually increasing in the country or not, and by how much.

But not all questions can now be solved, even in this primitive fashion. In the 1968 yearbook of the Department of the Interior, Stewart Udall wrote: "Gross National Product is our Holy Grail . . . but we have no environmental index, no census statistics to measure whether the country is more livable in from year to year." Mr. Udall asks for a "tranquility index, a cleanliness index, a privacy index." Such things are easy to ask for, but how does one define tranquility (Is is simply the absence of noise, or is it "peace of mind"?) and how does one measure it? The social indicators panel did work out a "materials balance framework" to set up a combined air pollution index (which aggregates five different kinds of air pollutants), a water pollution index, and a measure of pollution by solid wastes. And again these become, for the first time, benchmarks available for the purpose of *future* comparisons. But we have no way of knowing whether air pollution is worse now than before, when cities burned coal in industrial plants and in the cellars of homes, while rail engines belched smoke into the skies. Similarly on such questions as participation (is there an increase or decrease in memberships in voluntary associations?) and alienation (how does one compare the unrest of some affluent youth against the material satisfactions of blue-collar workers owning their own homes?), we simply do not

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have any easy answers to whether things are "worse" or "better" than before.

In the area of social mobility—thanks to the work of Otis Dudley Duncan and Peter Blau, who recently published a study of *The American Occupational Structure* based on the very first national sample of intergenerational mobility ever drawn in the United States—we can say with some certitude that, despite various apprehensions, the American class structure has not become rigid, and that the occupational achievements of sons are not in any significant degree (only 16 per cent of the variation of occupational scores) explained by the socioeconomic position of their fathers. Thus a considerable degree of equality of opportunity does exist in the United States. But largely for whites. From the Duncan data it is also possible to measure the "mobility gap" between Negro and white, and to estimate the role of discrimination in maintaining that gap.

In short, *Toward a Social Report*—and the word "Toward" was deliberately chosen—is not a prototypical social report; nor is it an assessment of the society. It indicates what data are already available to start on such an assessment; it makes the necessary start on the creation of social indicators that may allow us, in the future, to make relevant comparisons of changes over time.

The next steps

What of the future? In 1967, Senator Walter G. Mondale of Minnesota introduced a bill (backed by ten other senators) entitled "The Full Opportunity and Social Accounting Act," which in many ways parallels the Employment Act of 1946. It proposes a Council of Social Advisers and the publication of an annual Social Report by the President to be transmitted to the Congress each year. Senator Mondale has reintroduced the bill into the Congress this year. It is doubtful whether this act will be passed. Equally moot is the question whether the Nixon administration will continue the effort to establish a regular Social Report. Yet these efforts will be continued by various social science groups. The Russell Sage Foundation is preparing assessments of particular fields, beginning with a monograph on social trends in education. The Urban Institute has a project, under the direction of the economist Guy Orcutt, on definitions of various urban indicators.

One major problem revealed in the effort to write *Toward a Social Report* is the definition of relevant scope. The idea of a Social Report is oriented to public policy, and necessarily, thereby, to the evaluation of *government* programs; the effort to construct social indicators is a broader effort to measure *societal* changes as a whole. The two tasks are not necessarily incompatible, but such definitions

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raise the question of who should do what: which task is more appropriate to government, and which to outside groups in foundations and universities.

This effort at delineation is compounded by problems peculiar to a Social Report. More than the evaluation of economic measures, in part because the definitions are imprecise, the categories of a Social Report tend to be quite ambiguous. And because the impulses for the creation of a Social Report come largely from liberals, there is, almost, an inherent prejudice: if the report does not emphasize fault-finding, there must be something wrong with it. There is the further fact that because a disinterested report necessarily questions the programs of particular agencies, how does one assure the independence of the group writing such a report from political influence or reprisals? All these questions affect the argument about who should have the responsibility for such a report.

My own feeling is that the responsibility for a Social Report must effectively be lodged in the government, if only because the government alone has the resources to maintain such a large-scale effort and because only a government report, sufficiently assured of its independence, has the authority to command attention and become the basis of policy. But how should this be done?

The original conception of a Social Report was that it would be a "government-wide" document and the responsibility for producing it was given to HEW largely for housekeeping purposes. The Panel on Social Indicators, which assembled the "draft materials" for the Social Report, was composed largely of outside university persons and individuals drawn from all the statistical agencies in government. The task of writing the report was assumed by the office of the Assistant Secretary of HEW because it possessed the devotion to the task and the intellectual resources, but the responsibility of the final formulations was assumed by the Secretary of HEW for political reasons. If a document becomes the property of a single cabinet agency, however, it invariably becomes the voice of that agency in policy struggles and loses its effectiveness, despite analytical excellence, as has the Manpower Report of the President, which is produced by the Labor Department. Therefore the writing of a Social Report has to be done by some independent agency.

However, the proposal for a Council of Social Advisers, as envisaged by Senator Mondale, has its drawbacks as well. For one thing, it multiplies the number of executive agencies and adds one more claimant to the list of those seeking the President's attention; and one, here, without too much of a constituency. Second, the intellectual and organizational resources for staffing such a council are few; there is little work in macrosociology comparable to the three decades of work in macroeconomics, for the number of competent sociologists, compared to economics, is small.

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My own preference is to enlarge the present Council of Economic Advisers into a Council of Economic and Social Advisers and give it the responsibility of a combined report. The council has unmatched access to government sources. The council has established its institutional independence, inasmuch as its membership and top professional staff are not permanent government officials, but individuals on leave from universities, and its results are subject to the fierce scrutiny of the profession itself. Further, the sociological materials would gain by being subject to the tougher questioning, and greater rigor, of the economists.

The inclusion of social issues would widen the economic report, whereas the underpinning of economic data would strengthen the social reporting. But the necessary requisite for any effective social report is the strengthening of the commitment of the sociological profession to this enterprise: to the expansion of macrosociological interests, the refining of the conceptual categories, the testing of the quantitative data, and the training of students in social analysis. Without that commitment, the necessary intellectual resources, and the basis for independent scrutiny by the profession, would be lacking.

These are questions which have to be considered by sociologists. These are also questions which belong, with equal propriety, to the larger public concerned with social policy itself.

Beyond these issues, the simple conclusion of *Toward a Social Report* is this: Although it is overwhelmingly evident that the United States is faced with a series of problems of a magnitude unique in its history, it is a foolish man who thinks he knows the true dimensions of the problems, let alone the answers.

The two essays that follow attempt to give the reader a sense of the scope of the document. The article by Mancur Olson, Jr., the staff director of the study, is adapted from a "working paper" he wrote for the Panel on Social Indicators, attempting to relate the scope of the Social Report to other information and policy activities of the government. The summary of the contents of the Social Report is taken from the official document, prepared under the supervision of Dr. Alice Rivlin.

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TOWARD A SOCIAL REPORT: II

The plan and purpose of a Social Report

MANCUR OLSON, JR.

SHOULD the federal government issue regular social reports on the state of the nation? And should it continue to develop social indicators that measure its condition? To answer these questions intelligently, we also have to ask: What purpose could social reports and social indicators serve? What job is there that isn't already being done—by the Planning-Programming-Budgeting System (PPBS) and other arrangements for bringing information and analysis to bear on policy-making—yet needs doing? And how could such a job be done?

Now that *Toward a Social Report* is complete, we are in a better position to answer these questions. Because this was an experimental first effort, the question of what purpose social reporting and social indicators should serve had to be answered, and a general scheme for furthering this purpose developed, before the effort to produce this report could proceed effectively. Accordingly, as the one with immediate responsibility for this report in the government, I devoted a good deal of thought to what new function social reporting and social indicators could usefully perform, to how this function related to those already being performed, and to the intellectual strategy for performing it. Like many government documents, *Toward a Social Report* focuses on facts rather than ideas, and for the most part does not explicitly set out the idea of social reporting that determined its shape and decided what it would or would not contain. Such a basic idea

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is, however, essential to any intelligent discussion of whether social indicators and social reporting ought to be continued, and I, therefore, shall attempt to develop it here.

I. The national income and the national welfare

Perhaps the best way to see what social reporting and social indicators should ultimately do is to look at the example of the national income and product accounts, from which we obtain the statistics on the national income and similar measures of the output of the economy. The figures on the national income are probably the most impressive and elaborate type of socioeconomic measure that we have. Though over any given year the output of thousands of different types of goods goes up, and the output of other types of goods goes down, the national income provides a meaningful aggregate measure of how much the market economy has grown or declined *on balance*. Though it comprehends a vast variety of phenomena, it is sensitive enough to reveal even the mild recession or the slow advance. The national income statistics also provide what the economist tends to call a measure of "welfare," that is, an indication of how "well off" we are. Thus, the rate of growth of the national income is often relevantly cited in assessments of how well or badly a given administration, country, or economic system, has been doing.

Yet, for all their virtues, the national income statistics don't tell us what we need to know about the condition of American society. They leave out most of the things that make life worth living. They leave out the learning of our children, the quality of our culture, the advance of science, the compatibility of our families, the liberties and democratic processes we cherish. They neglect the pollution of the environment, the depradations of crime, and the toll of illness.

They even misconstrue or neglect many values that can readily be measured in monetary terms. When the criminal buys a gun, or the honest citizen buys a lock, the national income rises. When a smoke-spewing factory is constructed near a residential area, the expenditures on that factory add to the national income, but so do the expenses of additional housepainting and cleaning forced on the nearby householders by the soot from the factory.

The most notable limitation of the national income statistics is that they do not properly measure those "external" costs and benefits that are not fully reflected in market prices. They neglect or misstate the costs to society of those actions, such as the generation of pollution, that do not show up in the expenses of the offending firm or individual. They similarly neglect or misstate much of the benefit to society of those undertakings, such as basic scientific research, that do not bring the sponsors profits proportional to society's gain.

Ideally, what the national income statistics leave out, social indica-

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tors ought to measure, and a social report ought to assess. The social gains and losses that the National Income does not measure, at any event properly, are not only important to our well being, but (as we shall soon see) often also of particular concern for public policy. Social indicators and social reporting could not begin to match the *Economic Indicators* and the *Economic Report* until they could do for the social gains and losses that escape market calculation what the national income does for those that do not.

This is, to be sure, a distant, if not utopian goal. It is, unfortunately, not now possible to measure or assess developments outside the marketplace with the same success with which we measure the prices and quantities in our markets. At best, it will be decades before anything approaching a comprehensive set of social indicators, or a completely satisfying social report, could exist. Still, it is important to have an idea what some of the economic analogies that gave rise to social indicators and social reporting entail, and to be conceptually clear about what it is we would really like to know. Utopian counsel need not be less useful because it cannot be completely followed, for it can indicate the direction in which we should go. The structure and parallelism of the chapters of *Toward a Social Report* derives in part from the paradigm of the national income and product accounts.

II. The growth of public problems

The developments that the national income statistics leave out are probably becoming relatively more important over time. There are two principal reasons for this.

One reason is that, as population grows and the economy expands, urbanization and congestion increase. In the crowded urban environment, there is a new type of interdependence that rarely existed in the rural environment. If a frontier farmer should leave his garbage in his yard, it would be nobody's business but his own. But if the urban resident does this, there is a problem for the whole neighborhood. The frontier community did not need to worry about pollution, but the modern megalopolis does. Zoning laws are relatively unimportant in the country, very significant in the city. The general point is that in a rural society, there is only limited interdependence, apart from that which is automatically coordinated by the market system, but in a crowded city a man's actions directly affect the welfare of others in ways that do not show up in the national income statistics.

The second principal reason why the national income statistics probably capture less of the nation's progress and problems as time goes on is that education and the advance of knowledge are apparently becoming relatively more important. A large, and at least

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over the long run an increasing, part of our economic growth and national strength is attributable to education and research. In earlier periods of our history, research was rare, education limited, and technological progress slow. During recent decades, research expenditures have increased rapidly, education has become more extensive, and the pace of technological advance has in all probability increased. The gain to society that results from an advance in knowledge cannot be sold for its full value. Though some inventions are patentable, a great many are not; the results of "pure" research are by definition not subject to sale in the market, because the practical benefits of such discoveries, however great, are diffuse and unpredictable. Similarly, only a part of the benefits of education accrue to the individual who gets the education. This is particularly true of the contribution education makes to political and cultural life. The benefits of research and education that do not ultimately accrue to the researcher or the student are neglected or misstated in the national income statistics.

The growth in the relative importance of developments that bring gain or loss to society, but don't show up in the market prices or national income statistics, has meant that the burden of public problems has become relatively greater. If some of our actions bring burdens or benefits to others, but these burdens or benefits are not reflected in the prices we pay or receive, then we have, as individuals, no incentive to take them into account. We have no incentive to curtail those activities that bring losses to others, but no cost to ourselves; and no incentive to undertake activities that bring a gain to society, but no reward in the marketplace. These activities must therefore normally be carried on by governments. Thus the increasing importance of the uncoordinated congestion and urbanization costs (which as an economist I like to call "external diseconomies") and of education and research (which yield "external economies") means not only that the national income statistics are becoming increasingly incomplete, but also that they leave out problems that can usually only be dealt with by collective action and that are accordingly of particular public interest.

III. A cause of social conflict

The increase in public problems not only places a greater burden on our governments; it also places increasing demands on the whole political and social system. When a problem can be solved spontaneously through voluntary market action, all of those involved are normally better off. Because each participant is free to opt out of any proposed transaction, normally no one will participate unless he expects to gain. The mutual benefits of such transactions can even draw people in a society closer together.

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By contrast, the problems that can be only solved by public action usually require some degree of compulsion. Those who oppose the action are not at liberty to opt out, at least from the tax collections that are needed to finance it. Moreover, most or all of the people in the relevant jurisdiction must be satisfied with the *same* level and kind of public effort. Those who want a higher or different level of provision of some public service, even at the cost of higher taxes, have to be satisfied with what they have, for the services of the sort at issue cannot be provided by private action. Everyone, in sort, must abide by a single collective decision, whatever other alternative he might have wanted.[1]

This fact has become more important as the government's role has grown. In earlier periods of our history, there was no need to agree on a common policy about pollution or zoning, for example. Since education was less important, and often privately provided, each family could make its own decision about what, if anything, it wanted to spend for this purpose. When defense and foreign policy were less important, taxes were lower, and each citizen could spend a larger proportion of his income as he saw fit, and the fact that Americans all *must* put up with the *same* defense and foreign policy was less important. Today, our well being and destiny are affected to a much greater degree by our political leadership, and by collective decisions that must be accepted by all.

This development is probably one of the causes of the growing pressure for decentralization and "democratic participation" in the making of public decisions. It may also be one of the reasons for the apparently increasing intensity and frequency of resistance to public authority. It also helps to make the nation's political leadership a more credible focus for discontent and frustration. Finally, the growth of public problems and public action can widen and intensify the areas of controversy, and place our democratic processes and national unity under greater strain. This means in turn that the problems that the national income leaves out, and which social indicators and social reporting should assess, are not only important for our well being as individuals, and for public policy, but also for the cohesion of the society.

IV. **Information for policy-making**

If problems the national income leaves out are increasingly important, both for our individual welfare and our sense of community,

[1] If everyone in a society wants the same policy, an increase in the relative importance of public problems can increase social cohesion. This in large part because all citizens then have a reason to value the institutions through which they attempt to achieve their common goals. This helps explain commonplace observation that a threat from an (agreed) enemy tends to increase a group's unity.

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and at the same time a special concern of public policy, we might suppose there would be a good deal of information about them. This is not in fact the case. Though we have a lot of information about the expenditures and activities of governments, we have very little about the extent of most of the problems with which governments are concerned, or about the degree to which they are being solved.

This imbalance in the supply of information on public problems is owing in large part to the fact that the normal routines of government demand a considerable amount of information on how much a government spends for each purpose, on what types of resources it uses, and on the activities it undertakes, whereas there is no routine requirement for information on national problems or accomplishments. There are always accountants who ensure that government funds are not misappropriated, supply and personnel officers who keep track of the resources the government uses, and public relations experts who publicize each agency's activities. Governments thus produce information about their own activities as a by-product of everyday operations, but there is no such automatic provision of information about the society's problems, or whether we are making any progress in dealing with them.

Plainly, information about the activities or expenditures of government is *not* what we mainly need for a survey of the condition of American society. For a social report we need information about the condition of our society; about how much children have learned, not about the time and money used for schooling; about health, not about the number of licensed doctors; about crime, not about the number of policemen; about pollution, not about the agencies that deal with it. It is true that increased expenditures on some social problem, or an increased number of teachers, doctors, or policemen and the like are often taken as measures of progress. But they are usually grossly misleading measures. We would surely be better off if we could manage to deal with a social problem with less cost; if we could get as much learning, health, and crime prevention with fewer teachers, doctors, or policemen. All these resources are scarce, and could also make a contribution if they were used for other purposes—in some cases more of a contribution than they make in the area where they are used as measures of progress.

Accordingly, *Toward a Social Report* focuses on whatever information is available on the condition of the society, rather than on the activities of governments. When possible, it uses "social indicators," which it defines as measures of the level of well being in a society. Social indicators are, in other words, measures of developments in which we have a normative or moral interest, evident from the purposes of public policies, but not measures of government activities designed to influence these developments. (The economist might call them measures of "welfare" or "illfare.") The national

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income statistics provide a prototypical social indicator, because they provide a measure of our level of material well being.

Information of the kind emphasized in *Toward a Social Report* is helpful in at least two ways. First, it gives different social problems appropriate degrees of *visibility*, and thus makes possible an informed decision about national priorities. Second, by providing insight into how different measures of national well being are changing, it may ultimately make possible a better evaluation of what particular public programs actually accomplish.

A. *The varying visibility of public problems*[2]

The existing situation in areas with which public policy must deal is often unclear, not only to the citizenry in general, but to officialdom as well. This is because the normal processes of journalism and the observations of daily life do not allow a complete or balanced view of the condition of the society. Different problems have different degrees of *visibility:* some problems of a society automatically come to the attention of that society whereas other problems do not.

The visibility of a social problem can depend, for example, on its "news value" or potential drama. The nation's progress in the space race and the need for space research get a lot of publicity because of the adventure inherent in manned space exploration. Television and tabloid remind us almost daily of the problems of crime, drugs, riots, and sexual misadventure, and the claim that moral standards are declining thus obtains a more receptive audience. The rate of infant mortality may be a good measure of the moral condition of a society, but this rate is rarely mentioned in the public press, or even perceived as a public problem. The experience of parents (or infants) does not ensure that the problem of infant mortality is perceived as a social problem; only when we know that more than a dozen nations have lower rates of infant mortality than the United States can we begin to make a valid judgment about the condition of this aspect of American society.

Public problems also differ in the extent to which they are immediately evident to the "naked eye." An epidemic, natural disaster, or overcrowding of the highways will be immediately obvious. But ineffectiveness of an educational system, inadequate progress of pure research, or the alienation of youth or minority groups can usually be discerned only through careful research. After a time, problems of the latter sort also become conspicuous; if alienation, for example, goes beyond a certain point, it will manifest itself in a violent and all too obvious fashion. But a nation has an interest in perceiving problems before they reach this level of visibility.

[2] This section is essentially identical to paragraphs that appear in *Toward a Social Report*, and which I wrote some time ago.

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Another factor that affects the visibility of a social condition is the degree to which it is conveniently subject to invidious comparison. The school with the poor football team, for example, *knows* its team is poor, because someone is keeping score. Thus the coach has a higher pay and a shorter tenure than the teacher. Similarly, if a nation's olympic athletes are not so good as those of like nations, this is perceived as a public problem. But if one nation has surpassed another in the care of its young, the quality of its culture, or the state of its mental health, this is less quickly noticed.

It is partly because they facilitate invidious comparisons among nations, administrations, and groups that statistics on social problems have the influence they have. It has often been observed that nations rarely become effectively concerned with problems until they learn to measure them.

There are still many other factors that affect the visibility of a public problem. As the chapter of *Toward a Social Report* on "Participation and Alienation" shows, some groups in our society are well organized, but others are not. This means that the problems of some groups are articulated and advertised, whereas the problems of others are not. Similarly, the problems of groups that are segregated from most of the rest of society can get less attention than the problems of those that are not. In general, it can be almost as difficult to explain the priority our society gives to different problems without speaking of their different degrees of visibility as it would to explain our demands for material goods without considering the extent to which they are advertised.

By trying to give each public problem its due, a social report can provide a more balanced view of the condition of our society. Because societies tend to spend the most on problems that come to their attention most often, it can also influence the allocation of the nation's resources and facilitate more informed decisions about national priorities.

B. *The impact of public programs*

When we know the magnitude of each of our public problems we are still a long way from having the information needed for fully rational public policies. We also need to know (among other things) how effective each of our public programs is in dealing with these problems. A program may attack an urgent problem, but make no headway in solving it. A policy-maker without information on the quantitative consequences of his policies is in the position of a businessman who doesn't know the value of his sales.

Unfortunately, the art of measuring the output of public programs is in its infancy. It is not now normally feasible to evaluate the consequences of most public programs with any degree of precision.

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The needed data usually aren't available, and our techniques of analysis need further development.

One way of getting the needed information on public programs is by developing social indicators. When we have measures of the social conditions we care about, we can try to see how these measures change in response to changes in public programs. This isn't easy, because any major social problem is influenced by many things besides the public program at issue, and it is hard to disentangle the different effects of the different casual factors. But over the long run, important progress in the evaluation of public programs could be made in this way, especially if we disaggregate, i.e., find out how the social indicator varies from community to community, group to group, and so on.

If we set out the purposes of public programs explicitly, and make good use of such qualitative as well as quantitative information as exists, we can sometimes make some progress even in the short run. We can often tell whether a given problem is getting better or worse, and determine that some programs are effective and that others are not, even when we don't know their consequences with any quantitative precision.

V. Systems analysis and social reporting

This emphasis on the output of public programs, and on the explicit statement of their objectives, is also characteristic of the Planning-Programming-Budgeting System, which has been the federal government's principal formal method of analyzing policy choices in the last few years. What is the relationship between social indicators and social reporting, on the one hand, and PPBS (and other varieties of operations and systems analysis) on the other?

Some of the proponents of social indicators and social reporting have been skeptical of PPBS and occasionally concerned about what they supposed to be the "economic philistinism" of that system. Accordingly, they thought of social indicators and social reporting as an alternative to, or even as something in fundamental opposition to, PPBS.

In fact, the view that social indicators and social reporting are opposed to PPBS must be based on a misunderstanding of that system. Social indicators and social reporting are instead a logical extension of PPBS and other forms of operations and systems analysis. This is evident as soon as we look at their relationship in an evolutionary perspective.

PPBS can be regarded as having one of its roots in the operations analysis which, in one form at least, began to take shape in Britain in World War II. At that time, certain British scientists and mathematicians applied their mathematical skills to the solution of some nar-

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row and well-defined tactical military problems. As operations analysis has been developed since then, it has become increasingly clear that it involves not only the use of mathematical methods, but usually also the notion of "optimization"—the idea that outcomes of alternative courses of action must be compared in terms of some criterion of desirability, so that the "best" solution (in terms of the values of those who make the decision) can be chosen. The relative desirability of outcomes cannot be determined unless objectives are explicitly considered and all costs or constraints taken into account. This elemental notion of optimization is also characteristic of economic theory, which has a relationship to operations analysis akin to that which physics has to engineering.

PPBS was worked out later, partly at the RAND Corporation, which had done a good deal of operations analysis for the U.S. Air Force. It can perhaps best be seen as operations analysis applied to broader problems than those that had been previously analyzed by that method. Instead of looking at a narrow tactical problem, the PPBS analyst would look at the purposes and budget of an entire department of government. One of the techniques of PPBS analysis was reorganizing departmental budgets in terms of explicit goals (for defense, deterrence of nuclear attack, capability of limited war, etc.) rather than in terms of the inputs used (personnel, equipment, etc.), or the often arbitrary categories given by legislative or administrative tradition (army, marine corps, etc.). This explicitness about objectives, and the classification of costs in terms of the objectives, is essential to the optimization approach, for it can permit judgments about the relative cost-effectiveness of different programs.

When PPBS is applied in domestic agencies of the federal government, as it has been since 1965, a new problem emerges. In defense, state and local governments, and the private sector, do not share major responsibility with the federal government. But they do share responsibility with the federal government where social programs are concerned. Education, for example, is supported not only through the U.S. Office of Education, the Job Corps, and the training programs of the Department of Labor, but also (and on a much larger scale) through local governments, the efforts of parents, private employers, and even the television screen. The progress made in dealing with almost any basic domestic objective depends not only on some particular department of the federal government, but also on other departments, a host of state and local governments, and the private sector.

This means that PPBS, which now operates mainly on a department-by-department or agency-by-agency basis, cannot by itself provide all of the analysis that is needed for rational policy-making. It can usefully analyze many social programs but cannot, as presently constituted, take sufficient account of the interdependencies among

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different levels of government or different sectors of the society. PPBS analysts have recognized this, and there have been a few hesitant steps in the Bureau of the Budget to apply PPBS across the whole range of *federal* government programs. But this cannot be sufficient, even in principle: to obtain a balanced assessment of national policy, we must take account not only of the federal government, but of the whole society.

This is the task of social indicators and social reporting. Just as PPBS involved a broadening of operations analysis, so social indicators and social reporting involve a broader application of PPBS. A social indicator, as we have seen, is a measure of well being—a variable in which we have a direct normative interest. The selection of a social indicator means that an explicit decision about a purpose of social policy has been made. And *the changes in the social indicator measure the extent to which that purpose is being achieved.* A rational analysis of policy alternatives must also recognize that resources are scarce. A policy can be assessed only after the change in the relevant social indicator properly attributable to the policy has been compared with the contribution the resources required by that policy could have made in some other employment. If social reporting is to seek the best attainable policies for moving social indicators in a desirable direction, it comes to have the same logical structure as PPBS, or any other system that attempts to optimize. Social indicators and social reporting cannot therefore be in opposition to PPBS, but are better regarded as a logical extension of it.

VI. The uses of a conceptual ideal

Obviously, a complete system of social reporting requires a wider range of information, and more subtle analysis, than the existing PPBS, which is itself only in a primitive stage of development. It will be many years, if not many decades, before the full potential of social reporting can be exploited. It will require not only more information, but vastly better theories of cause-and-effect relationships as well.

Toward a Social Report reflects the fact that it is a first step in a long process. In addition to those shortcomings for which I, and the others involved, are responsible, and those attributable to a bureaucratic environment, it suffers from the lack of the statistics and theories that are needed. There were often no statistics that could serve as social indicators, and usually no theories of cause-and-effect relationships that could make possible a confident analysis of alternative public policies. *Toward a Social Report* accordingly had to rely on qualitative information or "proxy" measures in many cases and to consider policy options only in a most incomplete and general way.

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In the absence of the needed information and theory, should *Toward a Social Report* have been tried? And should social reporting now be continued?

The fact that social reporting can realize its full potential only in the distant future does not make the initial attempts at it any less useful. Indeed, they may, for that very reason, be all the more important. There could have been no hope that an adequate set of social indicators would be collected until someone had defined what they were, and showed that the nation could not have fully rational public policies without them. The imbalance in the supply of statistics that results from the fact that information on governmental activities is a byproduct of bureaucratic routine, whereas information on the condition of the society is not, will not be cured merely by the passage of time, or even by general appeals for more statistics, but only by showing that such an imbalance exists. The need for more information on such topics as social mobility or alienation is fully evident only when we ask directly about these aspects of the condition of the nation.

Even where the development of theory in social science is concerned, initial attempts at social reporting can have an important impact. Unless the intelligence gaps that confront policy-makers are made clear, and social scientists are asked to study the alternatives that are in fact relevant, the development of theory will not contribute what it could to policy-making. The want of a policy stimulus is evident, for example, in Parsonian sociological theory. This theory is mainly concerned with explaining why societies as a whole don't change more than they do, and is not set up to help us answer the question of how the society could be marginally improved. Like many other systems of social science, it makes no use whatever of "optimization" frameworks such as have been described here.

Every chapter of *Toward a Social Report,* by contrast, is oriented toward some aspect of our level of well being, and whatever little information can be brought to bear is addressed either to measurement of the condition of this aspect of our society or to the causal relationships we need to know how to make it better. The optimization framework is evident even in the especially tentative chapter on "Participation and Alienation," where objectives are set out in an explicit way that is most unusual in writings in this area, and where the constraint-cost side of the optimization framework is introduced through the fact that society must sometimes sacrifice one cherished objective, such as a sense of community, in favor of another, such as freedom to challenge the community's values and institutions. The point is not that this chapter tells us much that is new—it does little more than say what we would like to learn; it is rather that the policy focus and the optimization framework have rigidly determined the structure of every chapter of *Toward a Social Report,*

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even the one that deals with "Participation and Alienation," and the purpose of this is to point out, to scholars and policy-makers alike, the practical importance *relevant* research can have, even in this area.

Admittedly, it takes a long while before attempts to promote data collection and theory formation can bear fruit in practical policy. But even initial efforts at social reporting can hope for a faster impact. Public policies must be chosen each year, whatever the state of our ignorance might be. If data and theory are lacking, guesses and hunches must take their place. But surely we will make better guesses about the magnitudes of a problem, and have better hunches about what sort of policy might solve it, if we have an orderly framework for our thought. Such a framework, as I have here tried to show, is already largely within our reach. If future social reports could do nothing more than increase the orderliness of thought, and the quality of debate, about our urgent social problems, they would still be worth doing.

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TOWARD A SOCIAL REPORT: III

A Social Report in practice

THE OFFICIAL SUMMARY

HEALTH AND ILLNESS:—There have been dramatic increases in health and life expectancy in the twentieth century, but they have been mainly the result of developments whose immediate effect has been on the younger age groups. The expectancy of life at birth in the United States has increased from 47.3 years at the turn of the century to 70.5 years in 1967, or by well over twenty years. The number of expected years of life remaining at age 5 has increased by about twelve years, and that at age 25 about nine years, but that at age 65 not even three years. Modern medicine and standards of living have evidently been able to do a great deal for the young, and especially the very young, but not so much for the old.

This dramatic improvement had slowed down by the early 1950's. Since then it has been difficult to say whether our health and life status have been improving or not. Some diseases are becoming less common and others are becoming more common, and life expectancy has changed rather little. We can get some idea whether or not there has been improvement on balance by calculating the "expectancy of *healthy* life" (i.e., life expectancy free of bed-disability and institutionalization). The expectancy of healthy life at birth seems to have improved a trifle since 1957, the first year for which the needed data are available, but certainly not so much as the improvements in medical knowledge and standards of living might have led us to hope.

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The American people have almost certainly not exploited all of the potential for better health inherent in existing medical knowledge and standards of living. This is suggested by the fact that Negro Americans have on the average about seven years less expectancy of healthy life than whites, and the fact that at least fifteen nations have longer life expectancy at birth than we do.

Why are we not so healthy as we could be? Though our style of life (lack of exercise, smoking, stress, etc.) is partly responsible, there is evidence that strongly suggests that social and economic deprivation and the uneven distribution of medical care are a large part of the problem.

Though the passage of Medicare legislation has assured many older Americans that they can afford the medical care they need, the steps to improve the access to medical care for the young have been much less extensive.

The nation's system of financing medical care also provides an incentive for the relative underuse of preventive, as opposed to curative and ameliorative, care. Medical insurance may reimburse a patient for the hospital care he gets, but rarely for the checkup that might have kept him well. Our system of relief for the medically indigent, and the fee-for-service method of physician payment, similarly provide no inducements for adequate preventive care.

The emphasis on curative care means that hospitals are sometimes used when some less intensive form of care would do as well. This overuse of hospitals is one of the factors responsible for the extraordinary increases in the price of hospital care.

Between June 1967 and June 1968, hospital daily service charges increased by 12 per cent, and in the previous twelve months they increased by almost 22 per cent. Physicians' fees have not increased so much—they rose by 5.5 per cent between June 1967 and June 1968—but they still rose more than the general price level. Medical care prices in the aggregate rose at an annual rate of 6.5 per cent during 1965–1967.

Social mobility

The belief that no individual should be denied the opportunity to better his condition because of the circumstances of his birth continues to be one of the foundation stones in the structure of American values. But is the actual degree of opportunity and social mobility as great now as it has been?

It was possible to get a partial answer to this question from a survey which asked a sample of American men about their fathers' usual occupations as well as about their own job characteristics. Estimates based on these data suggest that opportunity to rise to an occupation with a higher relative status has not been declining in

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recent years, and might even have increased slightly. They also show that by far the largest part of the variation in occupational status was explained by factors other than the occupation of the father.

These encouraging findings, in the face of many factors that everyday observation suggest must limit opportunity, are probably owing in part to the expansion of educational opportunities. There is some tendency for the sons of those of high education and status to obtain more education than others (an extra year of schooling for the father means on the average an extra 0.3 or 0.4 of a year education for the son), and this additional education brings somewhat higher occupational status on the average. However, the variations in education that are not explained by the socioeconomic status of the father, and the effects that these variations have on occupational status, are much larger. Thus, on balance, increased education seems to have increased opportunity and upward mobility.

There is one dramatic exception to the finding that opportunity is generally available. The opportunity of Negroes appears to be restricted to a very great extent by current race discrimination and other factors specifically related to race. Though it is true that the average adult Negro comes from a family with a lower socioeconomic status than the average white, and has had fewer years of schooling, and that these and other "background" factors reduce his income, it does not appear to be possible to explain anything like all of the difference in income between blacks and whites in terms of such background factors. After a variety of background factors that impair the qualifications of the average Negro are taken into account, there remains a difference in income of over $1,400 that is difficult to explain without reference to current discrimination. So is the fact that a high status Negro is less likely to be able to pass his status on to his son than is a high status white. A number of other studies tend to add to the evidence that there is continuing discrimination in employment, as does the relationship between federal employment and contracts (with their equal opportunity provisions) and the above-average proportion of Negroes in high status jobs.

The implication of all this is that the American commitment to opportunity is within sight of being honored in the case of whites, but that it is very far indeed from being honored for the Negro. In addition to the handicaps that arise out of history and past discrimination, the Negro also continues to obtain less reward for his qualifications than he would if he were white.

The physical environment

This chapter deals with the pollution of the natural environment, and with the manmade, physical environment provided by our housing and the structure of our cities.

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Pollution seems to be many problems in many places—air pollution in some communities, water pollution in others, automobile junk yards and other solid wastes in still other places. These seemingly disparate problems can be tied together by one basic fact: the total weight of materials taken into the economy from nature must equal the total weight of materials ultimately discharged as wastes plus any materials recycled.

This means that, given the level and composition of the resources used by the economy, and the degree of recycling, any reduction in one form of waste discharge must be ultimately accompanied by an increase in the discharge of some other kind of waste. For example, some air pollution can be prevented by washing out the particles—but this can mean water pollution, or alternatively solid wastes.

Because the economy does not destroy the matter it absorbs there will be a tendency for the pollution problem to increase with the growth of population and economic activity. In 1965 the transportation system in the United States produced 76 million tons of five major pollutants. If the transportation technology used does not greatly change, the problem of air pollution may be expected to rise with the growth in the number of automobiles, airplanes, and so on. Similarly, the industrial sector of the economy has been growing at about 4.5 per cent per year. This suggests that, if this rate of growth were to continue, industrial production would have increased tenfold by the year 2020, and that in the absence of new methods and policies, industrial wastes would have risen by a like proportion.

The chapter presents some measures of air and water pollution indicating that unsatisfactorily high levels of pollution exist in many places. There can be little doubt that pollution is a significant problem already, and that this is an area in which, at least in the absence of timely reporting and intelligent policy, the condition of society can all too easily deteriorate.

As we shift perspective from the natural environment to the housing that shelters us from it, we see a more encouraging trend. The physical quality of the housing in the country is improving steadily, in city center and suburb alike. In 1960, 84 per cent of the dwelling units in the country were described as "structurally sound"; in 1966, this percentage had risen to 90 per cent. In center cities the percentage had risen from 80 per cent in 1960 to 93 per cent in 1966. In 1950, 16 per cent of the nation's housing was "overcrowded" in the sense that it contained 1.01 or more persons per room. But by 1960, only 12 per cent of the nation's housing supply was overcrowded by this standard.

The principal reason for this improvement was the increased per capita income and demand for housing. About 11.5 million new housing units were started in the United States between 1960 and 1967, and the figures on the declining proportions of structurally un-

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sound and overcrowded dwellings, even in central cities, suggest that this new construction increased the supply of housing available to people at all income levels.

Even though the housing stock is improving, racial segregation and other barriers keep many Americans from moving into the housing that is being built or vacated, and deny them a full share in the benefits of the improvement in the nation's housing supply.

Income and poverty

The Gross National Product in the United States is about $1,000 higher per person than that of Sweden, the second highest nation. In 1969 our GNP should exceed $900 billion. Personal income has quadrupled in this century, even after allowing for changes in population and the value of money.

Generally speaking, however, the distribution of income in the United States has remained practically unchanged over the last twenty years. Although the distribution of income has been relatively stable, the rise in income levels has meant that the number of persons below the poverty line has declined. The poor numbered 40 million in 1960 and 26 million in 1967.

A continuation of present trends, however, would by no means eliminate poverty. The principal cause of the decline has been an increase in earnings. But some of the poor are unable to work because they are too young, too old, disabled, or otherwise prevented from doing so. They would not, therefore, be directly helped by increased levels of wages and earnings in the economy as a whole. Moreover, even the working poor will continue to account for a substantial number of persons by 1974: about 5 million by most recent estimates. This latter group is not now generally eligible for income supplementation.

The nation's present system of income maintenance is badly in need of reform. It is inadequate to the needs of those who do receive aid and millions of persons are omitted altogether.

This chapter concludes with an analysis of existing programs and a discussion of new proposals which have been put forward. . . .

Public order and safety

The concern about public order and safety in the United States is greater now than it has been in some time.

The compilations of the Federal Bureau of Investigation show an increase in major crimes of 13 per cent in 1964, 6 per cent in 1965, 11 per cent in 1966, and 17 per cent in 1967. And studies undertaken for the President's Crime Commission in 1965 indicate that several times as many crimes occur as are reported.

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Crime is concentrated among the poor. Both its perpetrators and its victims are more likely to be residents of the poverty areas of central cities than of suburbs and rural areas. Many of those residents in the urban ghettos are Negroes. Negroes have much higher arrest rates than whites, but it is less widely known that Negroes also have higher rates of victimization than whites of any income group.

Young people commit a disproportionate share of crimes. Part of the recent increase in crime rates can be attributed to the growing proportion of young people in the population. At the same time, the propensity of youth to commit crime appears to be increasing.

Fear of apprehension and punishment undoubtedly deters some crime. The crime rate in a neighborhood drops with much more intensive policing. But crime and disorder tend to center among young people in ghetto areas, where the prospects for legitimate and socially useful activity are poorest. It seems unlikely that harsher punishment, a strengthening of public prosecutors, or more police can, by themselves, prevent either individual crime or civil disorder. The objective opportunities for the poor, and their attitudes toward the police and the law, must also change before the problems can be solved.

Learning, science, and art

The state of the nation depends to a great degree on how much our children learn, and on what our scientists and artists create. Learning, discovery, and creativity are not only valued in themselves, but are also resources that are important for the nation's future.

In view of the importance of education, it might be supposed that there would be many assessments of what or how much American children learn. But this is not in fact the case. The standard sources of educational statistics give us hundreds of pages on the resources used for schooling, but almost no information at all on the extent to which these resources have achieved their purpose.

It is possible to get some insight into whether American children are learning more than children of the same age did earlier from a variety of achievement tests that are given throughout the country, mainly to judge individual students and classes. These tests suggest that there may have been a significant improvement in test score performance of children since the 1950's.

When the chapter turns to the learning and education of the poor and the disadvantaged, the results are less encouraging. Groups that suffer social and economic deprivation systematically learn less than those who have more comfortable backgrounds.

Even when they do as well on achievement tests, they are much less likely to go on to college. Of those high school seniors who are

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in the top one-fifth in terms of academic ability, 95 per cent will ultimately go on to college if their parents are in the top socioeconomic quartile, but only half of the equally able students from the bottom socioeconomic quartile will attend college. Students from the top socioeconomic quartile are five times as likely to go to graduate school as comparably able students from the bottom socioeconomic quartile.

It is more difficult to assess the state of science and art than the learning of American youth. But two factors nonetheless emerge rather clearly. One is that American science is advancing at a most rapid rate, and appears to be doing very well in relation to other countries. The nation's "technological balance of payments," for example, suggests that we have a considerable lead over other countries in technological knowhow.

The other point that emerges with reasonable clarity is that, however vibrant the cultural life of the nation may be, many of the live or performing arts are in financial difficulty. Because there is essentially no increase in productivity in live performances (it will always take four musicians for a quartet), and increasing productivity in the rest of the economy continually makes earnings in the society rise, the relative cost of live performances tends to go up steadily. This can be a significant public problem, at least in those cases where a large number of live performances is needed to ensure that promising artists get the training and opportunity they need to realize their full potential.

Participation and alienation: What we need to learn

Americans are concerned, not only about progress along the dimensions that have so far been described, but also about the special functions that our political and social institutions perform. It matters whether goals have been achieved in a democratic or a totalitarian way, and whether the group relationships in our society are harmonious and satisfying.

Unfortunately, the data on the performance of our political and social institutions are uniquely scanty. The chapter on "Participation and Alienation" cannot even hope to do much more than ask the right questions. But such questioning is also of use, for it can remind us of the range of considerations we should keep in mind when setting public policy, and encourage the collection of the needed data in the future.

Perhaps the most obvious function that we expect our institutions to perform is that of protecting our individual freedom. Individual liberty is not only important in itself, but also necessary to the viability of a democratic political system. Freedom can be abridged not only by government action, but also by the social and economic

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ostracism and discrimination that results from popular intolerance. There is accordingly a need for survey data that can discern any major changes in the degree of tolerance and in the willingness to state unpopular points of view, as well as information about the legal enforcement of constitutional guarantees.

Though liberty gives us the scope we need to achieve our individual purposes, it does not by itself satisfy the need for congenial social relationships and a sense of belonging. The chapter presents evidence which suggests (but does not prove) that at least many people not only enjoy, but also need, a clear sense of belonging, a feeling of attachment to some social group.

There is evidence for this conjecture in the relationship between family status, health, and death rates. In general, married people have lower age-adjusted death rates, lower rates of usage of facilities for the mentally ill, lower suicide rates, and probably also lower rates of alcoholism than those who have been widowed, divorced, or remained single. It is, of course, possible that those who are physically or mentally ill are less likely to find marriage partners, and that this explains part of the correlation. But the pattern of results, and especially the particularly high rates of those who are widowed, strongly suggest that this could not be the whole story.

There are also fragments of evidence which suggest that those who do not normally belong to voluntary organizations, cohesive neighborhoods, families, or other social groupings probably tend to have somewhat higher levels of "alienation" than other Americans.

Some surveys suggest that Negroes, and whites with high degrees of racial prejudice, are more likely to be alienated than other Americans. This, in turn, suggests that alienation has some importance for the cohesion of American society, and that the extent of group participation and the sense of community are important aspects of the condition of the nation. If this is true, it follows that we need much more information about these aspects of the life of our society. . . .

Though almost all Americans want progress along each of the dimensions of well being discussed in this report, the nation cannot make rapid progress along all of them at once. That would take more resources than we have. The nation must decide which objectives should have the higher priorities, and choose the most efficient programs for attaining these objectives. Social reporting cannot make the hard choices the nation must make any easier, but ultimately it can help to ensure that they are not made in ignorance of the nation's needs.

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PROPOSALS AND IDEAS

Inducing Poor Children to Learn

ANDREW EFFRAT, ROY E. FELDMAN, AND
HARVEY M. SAPOLSKY

DESPITE years of concern for improving educational systems in this country, actual achievements have been disappointing. This has been especially true in low-income areas of American cities. We have a high literacy rate, yet a significant segment of our population fails to obtain the skills that are necessary for employment in a technologically advanced economy. States have periodically increased their investment in education, yet there is still a widespread belief that our urban school systems are inadequate and deteriorating.

There have been many attempts at reform. Curriculum studies, often aided by professional societies, have sought to revise the content of primary and secondary school courses to make them more relevant and more intriguing. School designs have been altered in order to make the physical plant more conducive to the educational process. Technological aids such as closed circuit television have been introduced to facilitate learning. Teacher salaries have been increased and teachers are being encouraged to add to their qualifications by participating in summer study programs and taking advanced degrees. Federally funded projects offer children opportunities to supplement their regular school programs with after-school, summer-school and preschool programs. Today, many schools throughout the country sport new buildings, new math, and new salary schedules, but the impact of these changes upon the academic performance of the students has been difficult to assess.

The most recent comprehensive study of educational effectiveness by James Coleman et al., *Equality of Educational Opportunity* (1966), raises very serious doubts about the present or eventual

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In this new department, we shall provide scholars and social critics with the occasional opportunity to "float" policy proposals that, though unconventional, are worthy of public notice. Most of them, we suppose, will either be shot down or vanish into the silence of outer space. But a few may survive their first exposure in these pages. And all, we trust, will provide our readers with a stimulus to rethinking our social policies—Eds.

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worth of programs that focus on such factors as school buildings. teacher-pupil ratio, or "tracking." They concluded that

> other variations among the schools in this survey have almost overwhelmed any effects of variations in the curriculum. . . . Differences in school facilities and curriculum, which are the major variables by which attempts are made to improve schools, are so little related to differences in achievement levels of students that, with few exceptions, their effects fail to appear even in a survey of this magnitude (p. 316).
>
> Taking all these results together, one implication stands out above all; that schools bring little influence to bear on a child's achievement that is independent of his background and general social context . . . (p. 325).

Given the magnitude and relative sophistication of this study, the results must be considered a cause for serious concern. Should we ritualistically continue to press upon the schools reforms that seem to have little or no success, or are there alternative reform strategies that are likely to be far more effective? A major clue is provided by the Coleman Report. It was found that of all the factors considered, socioeconomic and attitudinal characteristics of students were most closely related to academic performance. Students from upper and middle income families performed at consistently higher levels than other students regardless of factors traditionally considered crucial.

There is considerable consensus in the social sciences that important differences exist between lower income subcultures and upper or middle income ones. Although there is some variation within the working class, four important themes in lower income subculture seem particularly relevant. First, a number of studies suggest that the temporal horizons of the poor are shorter than those of the nonpoor. They tend to be more present-oriented, to have less ability to defer gratification, that is, to prefer more immediate rewards as opposed to longer run ones.[1] Second, the poor tend to value concrete, material rewards (such as monetary gain) more than abstract or intellectual ones (Kahl, *The American Class Structure*, 1957). A third major theme that has been identified is that those with lower incomes tend to be more "peer oriented." As Cohen has stated

> . . . the working-class child is more dependent emotionally and for the satisfaction of many practical needs upon his relationships to his peer groups. He engages in more activities and spends more time in their company. Satisfactory emotional relationships with his peers are likely to be more important, their claims to be more imperious, and the rewards they offer to compete more effectively with parental expectations. (Cohen, *Delinquent Boys* [1955], p. 101.)

In his extensive study of adolescents in ten different communities, Coleman (*The Adolescent Society*, 1961) also points out the general significance of recognition and respect from peers as a major reward in the adolescent subculture. Any educational system that could

[1] W. Mischel, *Journal of Abnormal and Social Psychology*, 1961; Schneider and Lysgaard, *American Sociological Review*, 1953; Cohen, *Delinquent Boys: The Culture of the Gang*, 1955.

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mobilize rather than compete with student peer groups would obviously be considerably more powerful. Finally, one segment of particularly lower income groups can be characterized by considerable apathy or pessimism, the feeling that one can do little to improve one's lot and that there is hardly any point to expending effort on education. A system that provided attractive immediate rewards for such effort might do much to alter these attitudes (Hollingshead, *Elmtown's Youth,* 1949).

The American educational system, however, is built on white middle class values. Schools seek to orient students to work for what are obviously long-term goals—the vaguely defined and individually unspecifiable benefits that are said to come with continued academic achievement. The only relatively immediate incentives that the schools distribute during the educational process are grades and the social approval of the teachers, neither of which appear to be very meaningful to a large number of children from low income backgrounds.

Explicit recognition of the conflict between the rather middle class school subculture and the subculture of these students' backgrounds presents us with two alternative strategies of improvement. One would be to attempt to change the values of children from lower income backgrounds in order to make them conform to the values of the school system. Proposals for longer school hours, preschool training, and boarding school arrangements are designed to "capture" the child before he is "captured" by the subculture into which he is born. This type of effort is essentially what the schools have been employing with less than desired success. It is not clear, however, that this effort at subcultural change is either legitimate or feasible.

The second alternative is to recognize a subculture's right to its own nondestructive system of values. Our proposal is to minimize interference in the lower income subculture by modifying the external system to facilitate the acquisition of useful skills. Thus, the immediate interests and values of parents and children in low income areas would be explicitly recognized and employed as the basis of the school's reward system.

Let us briefly sketch an incentives system experiment consistent with these principles. Instead of being given a gold star, a pat on the head, or simply a letter or numeral grade for good academic performance, a student would receive a subculturally more desired reward: a cash payment. A payment schedule can be devised that will provide the student with incentives for improving his performance in the classroom so that he will be rewarded for working at his own capacity rather than in competition with other students. Thus the student is rewarded for improving his own performance or for maintaining an acceptable level of work in the classroom. Incentives would be distributed regularly for *incremental approximations* of correct classroom behavior. Long-range measurements of academic achievement could be based on periodic evaluation by the teachers and standardized independent measurements. We as-

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sume a student could earn about $100 to $300 in an academic year.

A change in the school reward system could also increase parental pressure for educational performance. Low income parents could note the increased performance of their children not only through the abstract grading system, but through tangible dollars. The payment for the very young could be such that a proportion of all dollar earnings would be sent to the child's guardian who would then have even greater reason than at present to facilitate homework preparation and would be more inclined to become concerned over school work. Further, if the school's rewards were large enough, then the need for older students to supplement their family income through part-time after school activities might be somewhat reduced.

Because having money is a positive value of low income students' subculture, a student with a good school record could expect to gain his peers' social approval for his efforts. This approval would provide further support and reward for his performance and aspirations. Thus, the material incentives program could not only reduce the conflict between the school and peer groups and remove a major social obstacle to an individual's educational advancement, but actually mobilize existing values to promote academic achievement.

The proposal has another important advantage. It could be implemented regardless of any changes in curriculum, the quality of the teaching staff, and the quality of the physical plant. If other changes are still desired they could also be implemented.

The social sciences provide some suggestive support for this proposal. Psychologists using different schedules of reward or reinforcement have demonstrated in a variety of contexts that children will learn specific instrumental responses when appropriate reinforcers and contingencies are present. Monetary and other concrete incentives have been employed with apparent success, e.g., in helping juvenile delinquents to learn socially acceptable behavior, in helping the mentally ill, and in teaching remedial skills to children.[2]

Many anthropologists and sociologists working in and around the "Weberian" tradition have emphasized that an individual's or a group's basic values—"general conceptions of the desirable"—are crucial determinants of their behavior. This orientation has apparently been influential in generating and guiding studies of the nature and effects of such phenomena as the "culture of poverty," the "lower class milieu," and "delinquent subcultures." Further, the "human relations" tradition in sociology and social psychology has amassed considerable data to support the idea that such phenomena as productivity and morale are, at least in part, functions of the organization's incentives system. Even educational theorists, such as John Dewey, have emphasized the importance of working from a child's interests and motives. These perspectives have much in common. They rest on a recognition of the fundamental importance of an individual's values, motives, or interests in determining his behavior.

[2] Schwitzgebel and Schwitzgebel, *Journal of Social Theory,* 1961; Ayllon and Michael, *Journal of the Experimental Analysis of Behavior,* 1959. Cf. Montrose Wolf's research at the University of Kansas.

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A NUMBER of objections could be raised against the proposal. First, it could be argued that the use of material incentives in the schools is inappropriate and unwise since it is likely to increase the materialistic orientation of the children. From this viewpoint, the focus of education should be on more idealistic goals and some believe that material incentives detract from the school's "real" purposes—the preparation of "better" not more selfish or crasser citizens.

Second, it could be argued that the incentive program might involve major emotional costs for the children. Parental and peer pressure to improve academic performance and reap the payoffs could become so great that they would induce serious emotional problems in children who cannot meet these expectations. A payment system that is devised for the majority may be unsuitable or even dangerous for a minority.

Third, opposition might develop around the monetary costs of the program. Although the payoff matrix can probably vary considerably in order to be effective, the cost per child (excluding administrative expenses) would probably be between $100 and $300 per year. Are not school budgets already so over-burdened with salary increases, construction expenses, etc., that increased costs of this magnitude are likely to meet resistance?

Fourth, it could be objected that there are many problems with the administration of material rewards in a school system. Teachers might play favorites or, having a substantial amount of money to distribute, they may feel themselves to be welfare workers and hence inflate the grades of an entire class or of the needier students. Further, teachers might find themselves subject to pressure from parents or students since they control the distribution of valued resources. Problems ranging from corruption to extortion are potentially present.

Fifth, the material incentives system does not provide inducements for increases in "general" education performance, but only for the criteria of the incentives program itself. That is, it may focus too much attention upon grades, discrete behavior, and performance on tests, as opposed to acquiring generalized skills and knowledge for its own sake. Presumably, students would focus on rote learning, "psyching out" their teachers, cheating, and every other means of attaining grades save the more complex one of becoming "educated." We would produce a generation that could obtain grades but that knew little of the subject matter for which the grades were assigned.

THIS proposal is not an attempt to reform our entire society or even to change the values of a particular segment of society. Rather, it seeks to take advantage of existing attitudes and values to facilitate the acquisition of skills acknowledged to be important by both upper middle and lower income subcultures. The gifted and motivated children are likely to pursue education for its own ends under almost any circumstances. For others, however, education is

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but a way to obtain material gains or at least freedom from material wants. An incentives program that facilitates improved academic performance enhances the children's opportunities to be qualified for the higher skilled, higher paying jobs which are increasing with the technological advancement of our society. Perhaps *their* children will then have the opportunity—some would call it luxury—of seeking education for its own ends. At least they will not have been denied access to society's rewards merely because their values and attitudes differ in some respects from those of the dominant upper-middle class subculture.

We should also point out that many middle income families presently employ material incentives (such as vacations, cars, or allowances) to induce their children to perform in school. From this viewpoint, the incentive proposal does not corrupt society or the schools, but rather it takes a step toward equalizing the inducements available to people at different socioeconomic levels.

With regard to the second objection, it should be obvious that emotional stress is potentially involved in every educational innovation. In fact, the present educational system with the "culture conflict" that exists between the student and the school also has its psychological costs. Whether or not the proposed incentive program will produce more severe conflicts is not clear. It is even conceivable that a material incentives program is more intelligible and "realistic" to the low income student than the status quo. Certainly, the proposal to correct the structural inequalities and motivational inadequacies inherent in the present system must be weighed against the costs.

Similarly, the dollar costs of the proposal would have to be measured against the gains. Although a program involving a per student expenditure of $100 to $300 is a large one, the costs are not out of proportion with some other educational reform programs. Moreover, if the proposal produces tangible gains it would seem at least as worthy of adoption as the many proposals for a reduction of the teacher-student ratio or the construction of a new school in every neighborhood.

The problems of implementation are considerable but not insurmountable. Controls in the form of standardized tests would be used to discover welfare dispensing and other potential corruptions of the system. That the suggestion of monetary incentives conjurs up such visions of corruption is an indication of the incentive's power and a justification to monitor the distribution better than existing school incentives are monitored. The teachers, however, do hold a great deal of power over a student's future if not his present and a greater awareness of this may actually be an improvement itself.

With regard to the fifth objection, it might be countered that increased student concern with classroom behavior and grades is actually desirable. What are really to be feared are tests that do not adequately measure generalized skills and grades which do not reward insight or creativity.

Of course, the final defense of the proposal must be its achieve-

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ments. Although there are important reasons to believe the program will work, until it is experimentally tested, its appeal must rest on theory and analogy—a not uncommon fate of educational reform proposals.

A Basis for Welfare Reform

EDWIN KUH

CONTROVERSY, outrage, and bitterness pervade most discussions of the welfare system. Existing conditions border on paralysis. Welfare payments have recently been rising at 25 percent a year with disturbing indications that the system has gotten out of control. Chaos, with more to come, makes major change essential. Drastic reforms of the existing system or its replacement by a negative income tax plan or children's allowances have been proposed, but so far politicians and voters have rejected the more basic propositions and the minor amendments as well. I wish to review the foundations of welfare policy and, at the same time, offer a proposal that could not only remove most of the deficiencies of the present system,[1] but also, it seems, have a better chance of political success than other recent suggestions.

A good system of income transfers must meet the following fundamental tests. First, the transfer must provide an adequate minimum amount so that consumption and investment programs of the recipients can be carried out at a decent level. Second, transfers should be provided in ways that minimize inefficiencies in market transactions. Third, transfers from (currently) high-productivity donors to (currently) low-productivity recipients should not violate deeply held political, ethical and cultural values of either party. Recipients should not be humiliated. At the same time, donors must believe that needs are genuine or, in a democratic society, the transfers will not be forthcoming.

The present welfare system stands indicted on every count. It is inefficient because administrative costs are excessive (one out of every seven dollars in AFDC) and welfare recipients are discouraged from shedding their dependence on welfare. Recipients are humiliated by the regulations that accompany the transfer. Many taxpayers bitterly resent supporting the program in its present form.

This has led to proposals for a negative income tax (NIT) on the

[1] James Tobin, "Raising the Incomes of the Poor," Kermit Gordon, ed., *Agenda for the Nation* (Washington, D.C. 1968), presents a more comprehensive view of the problem than will be undertaken here. I agree with the substance of Tobin's excellent article with one important exception. Questions of political feasibility lead me to favor a less global approach.

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grounds that it would reduce market inefficiencies and, because a simple declaration of income would suffice, eliminate the degrading paternalism and surveillance of the present welfare system. NIT plans with a decent income-support level and marginal tax rate of 50 per cent or less cost $20 billion a year or more. This amount could easily be afforded if only the political will were there.

Political questions thus become central. The donors have kept the amounts low and individual regulation (via casework) intense for several reasons. One basic motive for low support rates is that transfers fail to create much pleasure for those in the tax base. In the South, race prejudice combined with relatively low regional income levels, create a special problem.

Yet, there is more to the insistence on tight regulation than brute racism and piggishness, even though these reprehensible motives are widespread. One usually neglected reason is that high-productivity types want to make sure that low-productivity types are not getting away with something. Aspects of the Puritan ethic are involved.[2] Such concerns about the existing welfare system apply with even greater force to the negative income tax. Existing political and ethical values are likely to block NIT, despite impressive support from a few business leaders, the academic community and several congressmen. All major candidates deliberately ducked the issue during last year's election campaign because of popular objections to the idea. Public-opinion polls overwhelmingly have rejected negative income tax or guaranteed income proposals.[3] It is possible and indeed desirable that public opinion be persuaded to accept some form of NIT. But until then, other means of improvement must be explored. A reluctance to consider the merits of second-best policies, including the one to be advanced here, reflects an academic tendency to confound ineffectiveness with virtue. Reformers should consider political as well as technical feasibility in designing new programs.

A summary review of existing programs provides guidance to those political ingredients that cannot be ignored in the design of an acceptable welfare system. First, such transfers in the United States have been largely categorical. Support needs could be established according to age (the old and the young: the "obviously" low-productivity types), employment status, and health (the blind, disabled, and sick). Small amounts of public assistance are also made available to paupers of demonstrably low economic productivity. Though some schemes involve an insurance element (social security, unemployment insurance) and others are outright transfers, I think this distinction is subordinate to the fact that compulsion—legal compulsion to be sure—is the principal method of obtaining the resources to be transferred and that a democratic process has made their provision possible.

A second aspect of programs that have received political approval is that many involve important elements of investment in human

[2] See Tobin's discussion of these issues, pp. 97–100.

[3] The latest evidence is contained in a Gallup poll reported in the *New York Times*, January 5, 1969, p. 44, where opponents outnumber advocates 2 to 1.

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capital. Though some of the programs that will be mentioned are not welfare programs in the narrow sense, all are concerned with problems of poverty and the poor. That, of course, is the central focus of more narrowly defined welfare programs.

Recent political acceptance of support for the public schools, despite heavy opposition on the parochial school issue, is clearly intended to make youth, especially poor youth, more productive through improved educational opportunity. Manpower programs always combine a transfer element (a weekly pay packet, however modest) and an investment element: training for future job opportunities. Medicare and Medicaid, outstanding examples of programs aimed at a worthy categorical group, the aged, are an investment in human capital and transfers in kind as well.

Every one of these programs restricts free choice of the transfer recipient in one way or another. The restrictions are least where the recipient has previously earned the right to transfers through insurance schemes, such as Social Security or unemployment compensation. Conversely, the restrictions are heaviest in all programs that smack of outright transfers. This fact does not seem to be happenstance, but reflects widely held social and political values that proposed reforms of our welfare system must recognize. Before discussing the rationale of these restrictions, I will outline a new proposal whose merits can then be compared with alternative suggestions that have been made to reform the present welfare system.

UNDER this new plan, eligibility would be available to all poor persons and the traditional welfare categories abandoned. The recipient would be paid the difference between earned income and the official poverty level. But political acceptance of this broadened coverage will be increased by imposing one other requirement besides low income. Recipients would receive benefits—or at least the maximum benefits—only if the opportunity to earn income in employment or training programs is not available to potential workers in their family. Federal manpower offices that administer training programs and employment agencies would be obliged to certify eligibility for potential workers, defined as all able-bodied persons aged eighteen to sixty-five except full-time students and females caring for one or more child under eighteen.[4]

The new proposal's principal departure from existing practice would be its provision of welfare payments in the form of restricted expenditure categories, with a residual amount (perhaps quite sizable) of unrestricted income. Concretely, three major expenditure categories—medical outlays, housing outlays, and food—would be paid for with "special credits" that are only valid for expenditures falling within that category. Thus, there would be special medical credits, housing credits, and food credits—the amount going to each family depending on its composition and age, with some geographic

[4] James Tobin made this suggestion before the Subcommittee on Fiscal Policy of the Joint Economic Committee in support of negative income tax reform during the summer of 1968.

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variations to account for climatic and cost differences. The special credits could take the form of checks, charge accounts, or, in the case of rent, direct payments to landlords. Payments in kind are yet another possibility. Some transfers might be strictly in kind, such as education or job training, even though a strong case can be made for special credits in these contexts too; but this implies major reforms in the entire educational system, an issue that is peripheral to the immediate discussion.

The amounts allocated to each category would be related to standard budget studies, with departures justified by the special needs of low-income groups not adequately reflected in standard budgetary information. In the normal course of events (but not always), welfare recipients under this scheme, would be expected to spend all their special credits plus some unrestricted income on each category. If a family were unusually healthy or had exceptionally low rent payments, unexpended balances would accumulate. If the welfare system were satisfied that appropriate health or housing standards were being met, the unexpended balances might then be converted into cash, or instead allowed to lapse (in which case the recipient would have a strong incentive to avoid accruing these balances). An intermediate disposition of the surplus balances would be to accrue these balances for a period of time, in the case of medical credits, amounting to a form of additional insurance. A less paternalistic structure would opt for the first choice, whereas a more paternalistic society would choose the second. Because this appears to be a relatively insignificant detail, we may proceed to a discussion of the merits and demerits of this proposal compared with some alternatives. But we can only do this sensibly by looking more closely at why conditions or restrictions have been or should be imposed on welfare recipients.

First, restrictions can be justified in the grounds that in their absence, myopic decisions by the recipient will impair future productivity. Compulsory education and subsidized job training most clearly fall into this category. It should be emphasized, however, that conflict can arise even when basic preferences are similar. A person with a high income will invest relatively more heavily than the identical person with a low income. Because the wishes of high income persons who provide the transfers must be given proper consideration, some restraints can be justified on this account.

Second, income redistribution alone may not be sufficient to obtain a desired expenditure pattern. In economics, the pure theory of welfare is highly individualistic. Though many qualitatively valid and significant consequences can be deduced from these individually oriented postulates, we should not naïvely restrict ourselves to the received doctrines, especially when, as is true in this area, the political realities always involve a strong paternalistic ingredient. Existing welfare economics, based on each consumer maximizing *his* utility individually, can define an abstract social optimum through lump-sum income transfers alone. But when funds are limited and society

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wishes to impose minimum consumption of certain goods on welfare recipients, lump-sum transfers will not suffice.

Third, transfers to the lowest end of the income distribution have created deep resentment by the groups just above them in the income stream. Individuals certainly appear to be affected by their position in the relative income distribution. Much of the white backlash, centered in the ranks of blue-collar workers, has been of this character. "Why," such workers ask, "should they (the poor Blacks) make nearly as much money as I do without working while we have to work?" This widespread attitude seems destined to remain a source of continued political support for George Wallace. Those who are squeezed from below constitute a powerful source of resistance to improved welfare programs. Hence, it should be possible to lessen lower-middle-income opposition to welfare programs by creating outlay categories that serve to differentiate welfare recipients.

Four, there is the questionable but pervasive belief that the poor are really inferior. In this view, the poor attained that condition because they are irresponsible and cannot be trusted to spend their money wisely. The well-to-do may spend their money frivolously, but they have earned the right to do so. Few of the taxed elements in the population wish to have their hard-earned money transferred to ne'er do wells to spend on drink, pop records, fancy clothes, sex. This stereotype of the poor is nonsense in many instances, but remains a powerful deterrent to sensible reform. Putting categorical restrictions on outlays and restricting eligibility to those unable to earn income should weaken this opposition, without seriously infringing on the self-respect of welfare recipients.

THE budgetary effect of this welfare redesign will depend on the level of individual support, the total number of persons covered, and administrative costs. The level of support that should receive widest acceptance, is the present official poverty level. The poverty gap was estimated at $11 billion in 1966. It is often and correctly argued that the high marginal tax rate on earned income implicit in the existing method of welfare payment discourages work incentives. This is certainly a valid qualitative observation, but its importance tends to be exaggerated by economists who may underestimate the desire of those on welfare to earn both self-respect and a decent standard of living. The special credit proposal, in any event, will retain a high marginal tax rate on earned income, initially at least, but it will exclude all who are capable of working. Because $11 billion comes to fifteen per cent of one year's increase in GNP (and the special credit proposal could be phased in over a two- or three-year period, thus reducing the initial impact), the amount cannot be considered excessive for the world's richest nation.

Tobin calculates that at a 50 per cent marginal tax rate, NIT would eliminate the poverty deficit at an additional cost of $17 billion. The proposed reform costs less than NIT because the NIT transfers income to those above the poverty line. This is essential to preserve work incentives by not penalizing extra earned income by a corre-

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sponding reduction in welfare income, the major innovation of the NIT.

Public assistance in the comparison year 1966 amounted to $4.1 billion. Because both special credits and NIT require less surveillance, costs will decline for both approaches. What is done with these substantial (but hard to estimate) savings is not a matter of concern here. Special credits require more investigation than NIT, a direct corollary of its more restrictive nature. It should be realized, however, that investigation of individuals would be a minor matter, whereas retail stores selling to welfare recipients that might be tempted to cheat would have to be checked. Shifting the locus of investigation not only eliminates the personal humiliation in the present system but, since the number of retail stores is small compared to the number of welfare families, should greatly reduce costs relative to the present system.

The special credit scheme might ultimately incorporate NIT features, in that the two proposals are not antithetical. However, the special credit scheme could be put into effect immediately without experimenting with the more far-reaching changes implied by the negative income tax and bring with it most of the advantages of a negative income tax proposal. The provision of positive work incentives, which is the main appeal of NIT, is absent from this proposal. The main reason is that I believe a reasonable NIT proposal costs too much to receive enough public support. Apart from money, a straight NIT proposal might still fail because it runs counter to widely held social values.

The special credit proposal shares all the remaining advantages of NIT, besides being less expensive and having a much greater potential for generating widespread political support. Administrative costs would be cut back. Humiliating investigations of welfare recipients would be abandoned. Costs are less than for other possibilities that provide similar basic income support. Political opposition to this proposal should be less than to a NIT plan, because many of the basic objections can be met through the imposition of limitations on outlays by welfare recipients. It is hard to believe that these restrictions, which are so slight in comparison with the existing jungle of requirements, will be deeply objectionable to those on welfare.

This note has urged that serious thought be given to restructuring restrictions placed on welfare recipients to increase the political acceptability of welfare. It is shot through with bold speculation about motives, political values, and all that sort of thing. All policy proposals other than purely formal exercises must in the end incorporate all these elements. It is hoped that the shift in emphasis away from the policy economists usually concentrate on to the exclusion of other elements, the negative income tax, will infuse a greater degree of relevance into this area of policy discussion.

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DOCUMENT

The Merger Movement

Is industrial monopoly growing or decreasing in the United States? How does one account for the fantastic merger movement that is now under way? In the last year of its operation, the Johnson Administration set up a Cabinet Committee on Price Stability to answer these and other questions. Its report was released in January 1969. Excerpts from its study on the merger movement follow:

America is in the midst of an enormous merger movement. Merger activity in 1967 experienced the sharpest increase in modern industrial history. The combined assets of acquired industrial firms having $10 million or more in assets totaled over $8 billion—double the rate of the previous postwar peak. The 1968 figure has already reached even loftier heights, and there are strong indications that the merger rate will continue upward unless inhibited by public policy.

Mergers, more than any other single economic factor, explain the existing structure of many American industries. Most contemporary big businesses owe their *relative* size to merger-accelerated growth, and current levels of concentration in many industries are directly linked to one or more of the merger movements that have swept through American industry.

Mergers are important in the study of industrial structure because they represent a special kind of firm growth. When a concern grows by expanding its own capacity and sales, by developing and introducing new products, or by building its way into a new industry, such growth is subjected to the critical test of the marketplace. Simply stated, a company must prove that it is capable of attracting a demand for its products or services. We therefore ordinarily assume that when a company pursuing this internal growth route expands at the expense of its competitors, it has passed the test of the marketplace. It has bested its rivals in a fair fight. In truth, so long as it uses "fair" methods of competition—avoiding predatory tactics and the like—it may even achieve a monopoly without being condemned. But, significantly, we find new enduring examples of such internally achieved monopoly.

The "market test" of growth does not apply equally when a company grows by the merger route. Ordinarily there is no market safeguard to prevent one competitor from achieving monopoly control by consolidating with his leading rivals. In fact, many businessmen

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might willingly trade the vagaries of a competitive existence for the quiet life of monopoly. Hence, when oligopoly or monopoly is achieved largely by merger, we have no objective market test of whether or not a position of dominance is deserved.

Industrial history provides many examples of how mergers have transformed rapidly an entire industry, leaving an indelible imprint for decades. When merger movements get under way, they seem to spread rapidly across particular industries in a sort of follow-the-leader pattern and place considerable pressure on firms that wish to remain independent. Merger waves alter materially the structural environment in which firms compete for patronage.

Why Do Companies Merge?

Economists have identified a number of reasons why firms often choose to grow by mergers. Ultimately, companies grow because their owners wish them to grow. The introduction of human motivation and aspiration makes the growth process tremendously more complex than is suggested by the economists' model that explains the growth of firms as an inevitable response to the spur of profit maximization.

Firms may wish to grow for a variety of reasons: to achieve economies of large-scale production or distribution, to attain market power, or simply to grow larger because doing so promises to enrich management or contribute to the overall prestige of the firm and its management. One recent study lends strong support to the hypothesis that large merging firms in recent years tend to be oriented more to managers' interests than to the profit maximization interests of stockholders. A study of bank mergers reached essentially the same conclusion. Another study showed that although merging companies grow more rapidly than non-merging ones, on average they tend to be less profitable.

There is growing evidence, together with concern, that a complex array of financial and speculative forces, rather than a quest for efficiency, is propelling merger activity to ever higher levels.

Heavy merger movements occurred between 1897 and 1903, again in the 1920's, which ended abruptly with the downturn in economic activity, and once more in the latter years of World War II, when the third merger movement got under way. . . .

The current merger movement has occurred in two rather distinct phases or cycles. The first took place during the period 1943–47, and had an especially pronounced impact on the structure of particular industries. . . . Then merger activity subsided, reaching a postwar low in 1949. Beginning in 1954, the second cycle commenced and the upward surge in merger activity still continues. Whereas at the peak of the first cycle the total manufacturing and mining series registered slightly more than 400 mergers per year, in each of the past 10 years more than 800 mergers have been recorded—and the number promises to reach 2,300 in 1968. . . .

In recent years there has been a sharp escalation in the size of

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acquired companies. Before 1967, only 5 companies with assets exceeding $250 million were acquired. In 1967 there were 6 such acquisitions and during the first 11 months of 1968 there were 11. . . .

The current merger movement, like the movement of the 1920's, involves many segments of distribution as well as manufacturing. The number of mergers in the services and trades has risen even more rapidly in recent years than the number of industrial mergers. . . .

[A comparison of] the number and assets of manufacturing companies acquired during 1948–67 with the total number of assets of such companies in 1967 . . . reveal that the 593 acquired companies with assets between $10 million and $25 million at time of acquisition were equal to *52 percent of the total number and 50 percent of the total assets of all companies of this size operating in 1967.* At the upper end of the size spectrum, 11 companies with assets of over $250 million were acquired, and these represented only 4 percent of the companies and 2 percent of the assets of all companies of this size in 1967. . . .

In short, merger activity heavily affected companies with assets in excess of $10 million, particularly those with assets between $10 million and $100 million. Had these companies not been acquired, had they continued as independent businesses, there would have been at least 40 percent more companies with assets of $10 million or more operating in 1967.

Effect of Mergers on Market Concentration

There are three kinds of mergers: horizontal, vertical, and conglomerate. *Horizontal* mergers are between companies producing competing products. *Vertical* mergers involve companies in industries having a buyer-seller relationship with one another, e.g., a food retailer and a food manufacturer. A *conglomerate* merger is one wherein the merging companies neither are direct competitors (horizontal) nor have a buyer-seller relationship (vertical). Such mergers are of three broad classes: geographic *market extension* conglomerates involve companies making the same product but operating in different geographic markets, e.g., a cement company in New York merging with a cement company in Los Angeles; *product extension* conglomerates involve companies making different but related products, e.g., a company making household detergents and a company making other household products sold in food stores; all other conglomerates are those not included among the above categories and therefore involve unrelated products, e.g., a meat packer and a petroleum company.

Relatively few large mergers occurring since World War II involved direct competitors, and the relative importance of such mergers has declined sharply. Whereas horizontal mergers comprised 41 percent of the assets of all large mergers in 1948–51, this percentage had fallen to 2.5 percent by 1968. Vertical mergers also have declined in relative importance, falling from 20.5 percent of the assets in 1948–51 to 6.8 percent in 1968. The great increase has occurred in

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the "other" conglomerate group, which had grown to 45.0 percent of the total by 1968.

Because large horizontal mergers have been relatively infrequent, the current merger movement has not had a significant *direct* impact on market concentration in most industries. Of the 1,087 large manufacturing mergers occurring during 1948–67, only 20 percent of the assets acquired involved mergers with direct competitors; the remaining 80 percent involved vertical or conglomerate mergers. . . . *Hence, the current merger movement has had little direct impact on market concentration.* Vigorous antitrust enforcement has virtually stopped large horizontal mergers. This development has opened up opportunities for market deconcentration to occur, thereby playing an important role in the declining concentration in the producer goods industries noted above.

Acquisitions of 200 Largest Corporations

The country's 200 largest industrial corporations have been very active acquirers throughout the course of the current merger movement. Nor has there been a significant letup in their tempo in recent years. During the period 1948–67, acquisitions by the top 200 accounted for nearly half of all large acquisitions, and nearly 60 percent of the assets involved in such acquisitions.

The most immediate effect of these acquisitions has been to increase the share of manufacturing assets held by the 200 largest corporations. Over the entire period 1948–67 the top 200 corporations' share of total manufacturing assets grew from 48.1 to 58.7 percent. Over the same period, the 200 largest corporations of 1967 made acquisitions totaling $30.5 billion, which was equal to about 7.2 percent of total manufacturing assets in 1967. This, of course, is a minimum estimate of the contribution of mergers to the increasing share of assets held by these corporations, since it measures only the immediate impact of mergers. Merger activity by large corporations accelerated during the 1960's. . . . Between 1960 and 1967, these companies' share of total manufacturing assets grew from 54.2 percent to 58.7 percent. After the acquired assets are subtracted from the 1967 assets of the top 200 companies, their share for 1967 was essentially the same as in 1960. This probably is a minimum estimate of the importance of mergers to their growth, since it does not take into account the postmerger growth of the acquired assets. . . .

Another significant effect of the current merger movement is to reduce greatly the number of medium sized companies in the economy. The chief actual or potential rivals of the top 200 companies come from a relatively small group of medium sized firms with assets between about $25 million and $250 million. At the end of 1967, the 1,048 companies of this size accounted for about 17 percent of all manufacturing assets.

The number of companies with assets of $25 million or more is much smaller today than it would have been had no mergers oc-

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curred. For example, at the start of 1959, there were 883 such companies. Had their number grown at the same rate relative to total manufacturing assets as they had for the period 1941 through 1959, there would have been approximately 1,970 such companies by the start of 1968. This is an increase of nearly 1,100. Instead, the number had grown to 1,320, an increase of only 437. Mergers accounted for most of the difference between the *projected* number and *actual* number of companies in this size category at the beginning of 1968. . . . Thus, mergers took a heavy toll of medium sized [firms].

Concentration in Manufacturing

Between 1948 and 1967, there was a persistent and substantial upward movement in the share of assets controlled by the 200 largest U.S. manufacturing corporations. The sharpest rise occurred in the last two years, when merger activity reached an all-time high. By 1967, the 100 largest corporations held 47.6 percent, and the 200 largest corporations held 58.7 percent of the assets of all manufacturing corporations. By 1967 the 100 largest manufacturing corporations held about the same share of assets held by the 200 largest in 1948. . . .

Concentration of profits within the largest manufacturing corporations is even higher than assets. In 1968 the 78 largest manufacturing corporations received 49 percent of all manufacturing corporation profits. Thus these companies enjoy not only large earnings, but also access to a reserve of uncommitted funds sufficient to afford them substantial independence from capital markets.

The higher return going to the largest companies is, in part, a function of the less competitive structures of the industries that they occupy, and, in part, the relatively stronger positions held by the largest companies in those industries. The 200 largest manufacturing companies are particularly heavy participants in the most concentrated industries and in those with highly differentiated products. . . .

The largest companies not only operate across many industries, but increasingly occupy positions of leadership in their industries. . . . For example, in 1958, 29 companies were among the 4 leaders in 4 or more industries; by 1963 there were 48 such companies. On the other hand, in 1958 five companies were leaders in no industries and 18 were among the leaders in only one industry. By 1963, there were no companies that were not among the leaders in at least one industry and only seven companies were leaders in only one industry. In the short period of just 5 years, the top 100 companies expanded greatly their leadership positions.

Quite clearly, then, the 100 largest companies have increased not only their share of total manufacturing but also their power base. Since 1963 they have expanded this base further because they have acquired many more leading positions as a result of their numerous large mergers. . . .

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CURRENT READING

The Computer in the Classroom

Computerized instruction can practically (and pleasurably) allow each student to learn more, faster, but always at his own pace. Individualized instruction, the ultimate dream of effective education, is well within the range of possibility.

Ads such as this one (by Republic Steel) have said it so often that many people—including school boards and professional educators—have come to believe it. Computerized instruction is individualized instruction, we have been told (by people who have often only the fuzziest idea of what these two terms really mean), and individualized instruction will solve the drop-out problem, eliminate the need for compensatory education, improve discipline, and free the teacher of administrative chores. And all this is just around the corner—certainly no more than three or four years away.

In the Fall 1968 issue of the *Harvard Educational Review*, Anthony Oettinger, a leading computer scientist, and his associate Sema Marks do a brilliant demolition job on these myths. To begin with, what do we mean when we say that the computer fosters "individualized" instruction? As the authors point out, all that any computerized educational system currently on the market even attempts to do is

> instruct students in such a manner that all will achieve a final level of competency which meets (or surpasses) the same set of minimally acceptable performance criteria. . . . This is hardly what educators mean by fostering individuality; rather, it is what an industrial engineer might call mass production to narrow specifications, with rigid quality control.

True, each pupil is free to go at varying speeds, but although such training "to minimal competence in well-defined skills is very important in a variety of military, industrial and school settings," it is not "the whole of what the education process is supposed to be."

As a practical matter, moreover, Oettinger and Marks show that allowing students to go at their own speeds creates some serious administrative problems, even when all the students are directed toward the same prescribed narrow goals. The job of matching time, instructors, and students is difficult (and expensive) enough, even under the present "lock step" system under which students are given identical assignments, take identical tests, and progress in unison. On a continuous progress basis, "where at any one time each student may be working at a point in the curriculum different from any

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other," problems of class and teacher scheduling, and of student evaluation and guidance, become that much more difficult. Just how complicated the problem can become is shown by a computer simulation done by the Systems Development Corporation, which suggests that, under a continuous progress system, a student population of 900 would involve 30 or 40 course changes and 300 mastery tests *a day!* And, Oettinger and Marks stress, devising information systems to cope with this kind of operation is still "at the edge of the state of the computer art."

Not only are computers not yet the great individualizers of instruction, but they may never even be useful in the schools "unless these schools are drastically reorganized and appropriately funded to absorb reform." But reform of the school system is peculiarly difficult, because

> one of the most striking features of the education network is the complexity of multifarious linkages between various elements of society and the school system. A change in the school hours affects not only pupils and school personnel but every child's mother. . . . Ability grouping invites federal court decisions prohibiting it. . . . An experiment with new curricula raises the spectre of low performance on college boards. And, most obviously, the people who make up every other institution from the family to the presidency are products of the school.

Any meaningful reform of the school system, therefore, is bound to threaten established linkages between the school and other segments of society and thus encounter obstruction and resistance from those affected. Then there is the matter of cost.

> Cost estimates for a computer terminal range from $1.40 to $7.00 per hour . . . and the latter seems closer to the truth. But even $1.40 *per student hour* looms large when one realizes that a school such as Watertown [a Massachusetts high school with a computerized language laboratory] spends only $4.00 *per year* on books for each student.

As for the argument that technology will replace the (human) teacher, Oettinger and Marks are skeptical. "Even if the technologists convinced the teachers' union that this was a wise course, it is unlikely that he could make do with few teachers." In neither of the two computerized educational systems the authors have studied—the Watertown language laboratory or the Stanford-Brentwood Computer-Aided Instruction Laboratory at the Brentwood School in Palo Alto—was there any reduction in teaching manpower.

What about the long run? Oettinger and Marks do see us as "groping for a definition of a reasonable setting for educational experimentation"—but not much more. "What holds back progress in education . . ." they maintain,

> is not that the scientific method has failed us, but rather that it has so far revealed very little of systematic value in attaining the goals of education even if one could assume some measure of agreement on their definition.

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Their final plea is for modesty and for as much diversity as possible—

> . . . as many different paths, as many different methods, as many different experiments, as many different initiatives, as we can afford once the demands of education have been balanced against other needs of society.

The Care and Feeding of Students

It's hard to say anything new about rebellious students, but in the London *Spectator* (January 31, 1969) sociologist David Martin of the London School of Economics has some interesting reflections. His article is called "Day Nursery of Revolution," and here are some selections from it.

> Ever since Imagination Seized Power in England's premier school of the social sciences, the academics there have found that they barely experience any awareness of a change when they pass from home to work or from week to weekend. Previously a weekend with the children was very different from a week at the London School of Economics. At home the children were fascinating creatures, exposed to every irrational whim, quite amoral and charmingly spontaneous. One moment they would bury their heads in your bosom, the next beat you unmercifully between the eyes. Students, on the other hand, appeared as responsible adults, apparently well able to look after themselves without detailed supervision, and content with reasonable fulfilments of academic duty. At home the children wanted to be loved; at university the students wanted to be taught. The transition from one to the other seemed clear.
>
> Then quite suddenly all was changed. The façade of disciplined student endeavour was rolled away revealing an entirely new scenario in the making: the Houghton Street Day Nursery of Revolution. The young adults disappeared into the wings and in their place there entered a new set of fascinating creatures, quite amoral and alarmingly spontaneous, demanding at one moment to bury their heads in your bosom and the next beating you unmercifully between the eyes. The very revelation of this new scenario tore off the scales from the vision of the academics and achieved one major objective of the revolution: the abolition of the difference between home and work, labour and leisure. The life of the academic became all of a piece: he just moved from one nursery to another.
>
> Academics are by habit disinclined to believe their eyes, but a whole series of changes confirmed this original impression. The first was a barefaced disregard for truth on the part of his charges. Whereas the adult student had always been slightly shamefaced about fabrication, the denizens of the Day Nursery of Revolution positively celebrated it. They claimed that "the invention of truth" (their own phrase) was better than reality—as indeed it was. In their view the great defect of bourgeois science was that it could not make the truth up as it went along. The older type of student had only done this under pressure in examinations: he had hardly thought of making it *the* principle of scientific activity. It had not occurred to him that he was actually superior

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to the sordid requirements of mere objectivity and the heavy chains of bourgeois logic. But in the Nursery such things only weighed down the achievements of the Imagination. The child constructs his own world. Anyone who contradicts that world he treats with a knowing grin of superior ignorance. . . .

Now that the principle and practice of the Nursery is so well established the LSE academics naturally vary in their reaction: some for example are very reactionary indeed. . . . Yet other academics desperately wish to join again in the great dramas of youth. Some very curious symptoms follow as a result. For example, they suffer acute confusion between paedogogy and paedophilia. To take another example, they become unable to distinguish between being lit-up and being enlightened. To join in the spontaneous life of the Nursery seems to provide the best guarantee against crabbed age and dull responsibility. They even develop a positive preference for ignorance and immaturity. . . .

. . . How do we explain the reappearance of the Nursery? . . . In our society we have gained the kind of control over external necessities which can enable large sections of the community, especially, of course, students, to maintain flights from reality over considerable periods of time. . . .

Current Listening

A Duke University student described why his studies were not relevant. "Why, our contemporary literature course," he declared, "goes only up to the 1950's. It does not cover the 1960's."

—WNBC News

Teaching! It's All the Same

"Forty years of research have failed to demonstrate that any one method of college teaching does a better job of conveying subject matter than any other, according to two staff members of the Center for Advanced Study of Educational Administration at the University of Oregon.

"In a monograph entitled *The Teaching-Learning Paradox,* Robert Dubin and Thomas C. Taveggia reported that they reanalyzed the data from 91 separate studies conducted over the 40-year period.

" 'The evidence is all in upon which we may base our conclusions about the relative utility of given methods of college teaching,' they wrote. 'When this utility is measured through final examinations, there are no differences that amount to anything.'

"Mr. Dubin and Mr. Taveggia concluded that such evidence might bring major changes to current practices, since, like it or not, 'it is reasonable to assume that if there are no measurable differences in content learning among various teaching methods the least costly will be adopted.' "

—*Chronicle of Higher Education,* February 24, 1969

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Owners and Managers

The separation of stock ownership from managerial control in large firms is a staple item of economic understanding. Less well researched, however, is the question of the effect of such a separation. Does control by owners lead to better performance than managerial control, or vice versa? An article by Monsen, Chiu, and Cooley in the *Quarterly Journal of Economics* for August 1968, attempts an answer. It is a surprise:

> The statistical sample consisted of 72 of the 500 largest industrial firms, by sales, for a 12-year period (1952 through 1963). Six firms (three owner-controlled and three manager-controlled) from twelve different industries were compared.
>
> An analysis of the data reveals that *the owner-controlled group of firms outperformed the management-controlled firms by a considerable margin.* The net income to net worth ratio was 75 per cent higher for owner-controlled firms than management-controlled ones over the 12-year period. This indicates that the owner-controlled firm provides a much better return on the original investment, and suggests a better managed capital structure and more efficient allocation of the owners' resources. [Italics ours—Eds.]

Executive Sweet?

Given the high personal income tax rates introduced during World War II (and kept since) by the federal government, it has never been clear just how well salaried top executives in American corporations fare, on an after-tax basis, compared to other wage and salaried groups in the economy. In *Executive Compensation in Large Industrial Corporations,* Wilbur G. Lewellen compared the salaries and benefits of the top executives in fifty large manufacturing corporations, with those of other groups, for the period from 1940 to 1963. Lewellen's study took into account all the schemes—pension plans, deferred compensation, profit-sharing, and stock options—that have been introduced in recent years to offset the stiff tax rates on upper income levels. According to Charles A. Hall, Jr., of Yale University in the December 1968 issue of the *American Economic Review,* the book "is a definitive study of what has happened to executive compensation in large corporations in the past quarter century."

The findings:

> [S]alary and bonus income of the top five executives for all 50 companies . . . increased by 83 per cent before taxes and 33 per cent after taxes since 1940. However, their total remuneration after taxes . . . approximately doubled. Deferred and contingent rewards, which now account for about half the pay package, have accounted for the major portion of the increase in aggregate remuneration. Restricted stock options, originated by tax legislation in the early 1950s, . . . provided nearly one-third of all after-tax compensation enjoyed by senior executives in recent years. Largely as a result of this development, the year-to-year

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volatility of executives' pay has increased substantially, and their earnings have become closely linked with the performance of their company's stock. Most of the growth in pay occurred in the ten years immediately following World War II.

Growth in executive pay has not been very impressive in relation to relevant historical indices. In total, sales, assets, profits, and market value of the corporations for which the executives worked grew much more rapidly than the total compensation of those executives. Physicians, lawyers, and dentists have also done better over time: their 1963 after-taxes incomes ranged from 2.4 to 3.2 times 1940 earnings as compared with 2.1 for top executives. Manufacturing production workers earned 3.6 times as much after taxes in 1963 as in 1940, and the take-home pay of recent MBA graduates increased four times. After adjusting for price-changes, the senior executives in the sample were no better off in *real terms* in 1963 than in 1940.

Measuring Poverty: Income and Net Worth

Income, as economists (and tax avoiders) have long known, is a very incomplete measure of an individuals' economic welfare. And yet, most definitions of poverty are based on current money income measures that exclude nonmonetary wealth such as investments, ownership of homes and automobiles, etc. Because an individual's or family's economic well-being depends not only on current income, but also on the services received from such assets (net of liabilities), a welfare measure that included net worth as well as income would clearly give us a broader (and more accurate) insight into the poverty problem.

This is precisely what Burton A. Weisbrod and W. Lee Hansen of the University of Wisconsin have attempted to do in an article in the December 1968 issue of the *American Economic Review*. Converting current net worth (assets minus liabilities) into an annuity value, and adding this onto current income, they have arrived at a much more general measure of economic welfare. The results give us some interesting insights into the full dimensions of the poverty problem. Most significant, perhaps, is Weisbrod and Hansen's finding that, under their combined current income-net worth measure, the old (that is, those over sixty-five) seem to be considerably better off than when only current income measures are used. Thus, assuming the conventional $3,000 poverty line, they found that "the aged poor constituted 34 per cent of all poor families by the current income measure," but "only 28 per cent of all poor families according to the income-net worth measure." In absolute numbers the shift is even more drastic: the total number of the aged poor is cut by almost one-third—from 3.2 to 2.2 million families. The explanation, of course, is that older people have had a lifetime's opportunity to save money as well as to pay off the mortgage on the home, the premiums on the insurance policy, etc.

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